

The NATIONAL UNDERWRITER

Life Insurance Edition



But, Bob, does a partner's widow get nothing?

HER husband had helped establish the business. For years it was the source of her income—never failing, taken for granted. Yet now, when her need for money is so urgent, she learns that the business is not in position to help her. It's a cruel situation, that occurs frequently.

What a cruel responsibility, too, for one of the surviving partners to explain to her, as gently as possible, that they must let the law take its course, and liquidate the business—unless they find money to purchase her husband's interest from his estate.

Isn't it common sense to make sure that your business shall never face a problem like that? You can do so through a partnership agreement drawn to fit your particular set-up, and Northwestern Mutual Business Insurance to provide the money for

liquidating partnership interests, in case of death. It's businesslike, prevents arguments and ill-will. Dependents are protected; creditors are reassured; earnings are kept in the hands of earners; the business has opportunity for any readjustments.

Also, through this protection, you create an asset of steadily growing worth. Its cash value increases year by year, and can be borrowed against, on request and in confidence.

You'll find the Northwestern Mutual agent a good man to talk to. He's prepared to analyze the needs of your business, will show you how the Northwestern Mutual contract—clear and simple—can be fitted to those needs.

Northwestern Mutual offers Plans of Business Insurance designed for all types of business organization.

CORPORATIONS—Ready cash for orderly liquidation of a deceased stockholder's interest, on a buy-and-sell agreement basis—Cash convertible into income for family or heirs of the deceased.

PARTNERSHIPS—Ready cash for liquidating a deceased partner's interest, to the advantage of his widow and surviving partners—Guards against forced sale—Helps solve the problem of continuation.

SOLE PROPRIETORSHIP—A fixed amount of immediate cash representing values built into the business—Finances the readjustment period of arranging continuation of the business, transfer to others, or orderly liquidation.



THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY, Milwaukee, Wis.

The sale of Northwestern Mutual life insurance for business needs increased in 1939 over the previous year. Agents developing this important market were aided by a complete sales promotion Business Insurance Kit and by a strong Business Insurance Advertising Campaign appearing in full page advertisements in Nation's Business magazine. The advertisement above appeared in December. This helpful Business Insurance Campaign will continue through 1940.

FRIDAY, JANUARY 5, 1940



"I RESOLVE to make at least 20 interviews a week during 1940" . . . Yes, it's that time of year and no doubt there are many salesmen throughout the land who are starting the New Year with these good intentions. To those comparative few who will follow through on this resolution will come an increase in sales.

Incidentally, quite a large percentage of B.M.A. salesmen must keep this resolution, for year after year many of them continue to produce an ever increasing volume of business. No doubt B.M.A.'s plan of COMPLETE PROTECTION enables these salesmen to make more productive interviews.

W. T. Grant, President
J. C. Higdon, Vice-President in Charge of Sales

**BUSINESS MEN'S
ASSURANCE CO.
KANSAS CITY, MO.**



HAPPINESS For Sale

The doubting Thomas' of the world will cast a supercilious eye on that phrase, but the real Life Underwriter is taking inventory with that in mind. Checking here, planning to rebuild there, discarding some obsolete scales method and over all incorporating the selling of happiness—the happiness of the young child, the widowed mother, the man or woman of sunset years no longer capable of self-support.

Are you satisfied with the outlook of your future? Does your inventory check in the black? For more than a third of a century Peoples Life agency officials have been helping men find the successful answer in "Happiness for Sale", via the life policy. You will find it pays to be friendly with

PEOPLES LIFE INSURANCE CO.
"The Friendly Company"

FRANKFORT

III

INDIANA



Throughout the past 89 years the Massachusetts Mutual has earned a reputation for able, progressive management, and sympathetic understanding of its policyholders' problems. The company has ever been alert to the modern trend and has kept its judgment flexible, constantly adjusting itself to meet new problems of protection and conservation.

Massachusetts Mutual
LIFE INSURANCE COMPANY
Springfield, Massachusetts
Bertrand J. Perry, President

The NATIONAL UNDERWRITER

Forty-fourth Year—No. 1

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, JAN. 5, 1940

\$3.00 Year, 15 Cents a Copy

SEC Investment Analysis Soon to Be Released

Heralded as Most Extensive Ever Emanating from Washington

WASHINGTON—It will be late this month or early February before the SEC presents the results of its life company investment survey to the TNEC, according to latest reports here. Earlier indications were that hearings would resume about the middle of January. It has not been decided whether to release in advance the exhaustive report on the operations of 26 companies which will serve as the basis for the hearings.

The hearings will deal with private placements of entire securities issues with one or a few life companies, but this subject will also be handled by the investment banking staff of the SEC in the material it is presenting to the TNEC in an entirely separate series of hearings.

The Wall Street Journal in its Dec. 27 edition carried an article by Bernard Kilgore on the study soon to be released by the Securities & Exchange Commission of the operating results and investments of the 26 largest life companies.

"This study will show how each of these companies handled its investment funds from 1929 through 1938," asserts "The Wall Street Journal."

"Since total assets of the companies amount to some \$24,000,000,000, the SEC report probably will be the most extensive survey of actual results in the management of investment accounts that has ever come out of Washington.

"Details of the report remain a very closely guarded secret, but it is scheduled to be presented to the Temporary National Economic Committee and made public within about three weeks.

Figures for Each Company

"Present intention of SEC officials is to show, when the final draft is ready, exactly what each of the 25 insurance companies did with its money over a ten-year period, how the firms' yields and losses compared, and how they stood at the end of 1938.

"Such detailed comparisons, never before available, will constitute a 'yardstick' of insurance company management, according to government experts. The study will reveal, they asserted yesterday, some 'brilliant' and some 'extraordinary good' results in the handling of certain types of investments by certain companies. On the other hand, some of the records will show much less fortunate experiences.

"About 250 separate statistical analyses are being prepared as the main basis for the report. While most of these have already been completed, their con-

How the SEC People Work Up Line of Inquiry

By ROBERT B. MITCHELL

WASHINGTON—So voluminous is the material which the Securities & Exchange commission has presented to the Temporary National Economic Committee in the course of the insurance investigation, few realize how small it is in comparison with the amount of work that has preceded the actual presentation.

As with an iceberg, the amount that doesn't show is vastly greater than the amount that does.

Two Separate Investigations

Another angle that is not generally understood is that the insurance study and the investment banking study, also being conducted by the SEC for the TNEC, have no truck with each other. Each is as separate as if being conducted by two different governmental departments. During December, for example, the insurance hearings were going on before the TNEC insurance subcommittee while the full committee was hearing witnesses from J. P. Morgan & Co. and other prominent financial figures testify on investment banking practices.

Henderson Connecting Link

Commissioner Leon Henderson of the SEC, former executive secretary of the TNEC, constitutes a link between the studies, since they are both under his supervision. He was in constant attendance at the financial hearings, so much so that when the full committee turned to insurance he inadvertently addressed Gerhard Gesell, special counsel of the insurance study, as "Mr. Nehemis," the latter being counsel for the investment banking inquiry.

Some of the insurance material that has been presented has been based on questionnaires but in the main is based on digging by a corps of field men, numbering from eight to a dozen, headed by H. A. Blomquist. Most of these men are lawyers, the only exceptions being a financial expert and an accountant. The field men may work as a group, or divide into smaller groups, or work as individuals. At the Metropolitan Life

tent is held in strict confidence by the SEC staff.

"It was learned, however, that a complete breakdown of the insurance companies' bond accounts has been worked out and investments of this class have been subdivided according to standard quality ratings. Experience of the companies in buying new bond issues has also been analyzed. Another special section of the report will show what various insurance company managements did with railroad securities during a decade which was a troublous one for the carriers.

"Other insurance company investments—such as mortgages and real estate—will be similarly subdivided, with comparative figures on rate of return.

(CONTINUED ON PAGE 23)

and New York Life, for example, the entire group was on the job. Where a man works as an individual he may obtain reinforcements if it seems that he has come across a promising lead.

One reason why so much more ground is covered than is apparent from the material presented is that Gesell will not use material if he is not fully confident it will hold up. While he makes an occasional shot in the dark, practically all the admissions he attempts to get from witnesses he can get if he has to by putting a field man on the stand.

Work Hard and Long

A field man may work for several months on a single company, probably making several trips back to Washington to confer with Gesell and also with Blomquist, if he is there. These conferences are jammed with hard work and may last far into the night. Here Gesell and the field men work up their cases, deciding what should be followed up, or what should be discarded because it has already been unearthed in connection with another company.

While Gesell is the son of a Yale law school professor, a nephew of SEC Commissioner Matthews and said to be a protege of Justice W. O. Douglas of the U. S. Supreme Court and former SEC chairman, he has won the admiration of all those who work with him and even the respect of those whom he has examined as witnesses. He was under 30 at the time the survey began but nobody on either side of the fence has been disposed to sell him short either on account of his youth or his distinguished connections.

Suppressed Irrelevant Dirt

In fairness to Gesell and others on the insurance staff it should be recognized that they have suppressed considerable irrelevant dirt which would have made the picture of life insurance look blacker than they have painted it.

Working with Gesell and the field men are Ernest J. Howe, chief financial adviser, and Prof. Donald Davenport of Harvard, who prepared the questionnaires and works up studies from these and other sources.

Commissioners' Meeting

While the definite days for the annual meeting of the National Association of Insurance Commissioners in Hartford have not been set, Commissioner Blackall of that state says officially that the meeting will be held the last week of June.

Cincinnati Merger Consummated

CINCINNATI.—With the approval of the Ohio department, the merger of Ohio National and Columbia Life became effective Jan. 2. Equipment and records of Columbia were moved to the Ohio National home office over the week end.

Predicts Limit Under N. Y. Bank Plan Will Be Lifted

Paul Taylor, Who Administers the Law, Sees Ceiling of \$7,500

By ROBERT B. MITCHELL

PHILADELPHIA — Paul Taylor, deputy superintendent New York department, who has charge of savings bank life insurance, aroused much interest by his statement before the American Association of University Teachers of Insurance that possibly the present limit of \$3,000 per life would be raised to the savings bank deposit limit of \$7,500 and perhaps even removed entirely.

It was obvious that Mr. Taylor favored the removal of any limit whatever for he decried the present limit as being the result of legislative compromise. Placing a \$3,000 limit, he said, is like telling the father of 10 children that since milk is a fine thing for his children it will be sold him for nine cents a quart and then telling him that he can have only two quarts a day.

Discussion by Bendiner

Irvin Bendiner, Philadelphia attorney and expert on business and estate insurance, took issue with some of Mr. Taylor's conclusions, particularly with the implication that life insurance is a commodity which can be bought with little or no expert assistance. Unless there is to be compulsory state insurance which would eliminate the field force there is need for agents to carry the mass propaganda that is necessary if life insurance is to be bought in significant volume.

Mr. Bendiner poked fun at some of Mr. Taylor's statements by the reductio ad absurdum route. Observing that Mr. Taylor had been asked to comment on some of the unique features of savings bank life insurance, Mr. Bendiner said it was certainly a unique theory which pooled the bad experience of the member banks but did not pool the assets behind the liabilities. He professed amazement at the banks' apparent theory that with no surrender charge the bad risks would drop out and the good risks would continue.

Less Service, Less Costly

"But to go back of these considerations," said Mr. Bendiner, "is insurance a social device, a mathematical device, or a financial instrument? If it is a mathematical device there is no doubt that if one omits some of the service it can be less costly."

Mr. Bendiner criticized savings bank life insurance as not relating the commodity to the buyer's individual economic portfolio. Insurance needs change from time to time he pointed out. For example, the educational contract taken out by a young man may become a re-

(CONTINUED ON LAST PAGE)

Reasoning Behind War Limitations Presented by Pearce Shepherd

PHILADELPHIA—A war clause limiting the benefits payable under certain circumstances is a reasonable part of a life insurance policy, Pearce Shepherd, assistant actuary Prudential, said in a talk to the American Association of University Teachers of Insurance here.

The war clause is necessary not because the companies could not meet the war losses without it, but because without it they are not able to carry on their operations along normal lines. It is primarily to prevent those who know that they may be exposed to war hazards from buying too much of a good thing at the expense of other policyholders. War clauses appear to be complicated because of efforts to make them generous and fair.

Almost Free of Restrictions

In presenting the background covering war risk clauses, Mr. Shepherd pointed out that life insurance in comparison with other lines of insurance provides coverage almost free of restrictions. It is renewable at the same rate no matter what change may occur to affect the insurability of the risk. The only restriction which appears generally is for liability in case of suicide within one or two years. Following the increase in suicide stimulated by the economic crisis in 1929, there was considerable discussion as to whether or not a two years limitation was long enough to adequately protect the companies against individuals contemplating self-destruction. Prior to that time a great many companies operated successfully with a one-year suicide clause, but most of them changed over to a two-year clause.

Limitations on aviation activities have been generally accepted in recent years. The use of such a provision enables life companies to offer individuals engaging in aviation activities life insurance at regular rates.

Limitations are Justified

In former years policies contained provisions for limited benefits in event of residence and travel, but these have been abandoned almost entirely. In any of these limitations, companies guard against any voluntary act of the assured which increases the possibility of the occurrence of the contingency insured against. Any restriction based on this principle should be considered as a reasonable part of any insurance contract. The only reason the restrictions have not been more widely used in the case of occupational hazards is that life companies have preferred to cover such hazards by charging an extra premium wherever possible. In the case of most occupations this can be done. It is obviously difficult to assess extra premiums for certain classes of aviation risks and impossible to fix any extra premiums for suicide coverage.

Protest Against Adverse Selection.

Provision for limited coverage under certain circumstances is a valuable device to protect the companies against adverse selection. Provisions against war hazards protect the companies against losses which would occur if any large proportion of the policyholders were to be called upon for active service. Such provisions permit a life company to continue its operations more or less on a normal basis, even during a war.

In normal times a life company expends a great deal of effort to see that each group of policyholders is self-supporting. This principle would have to be thrown overboard if a large percentage of the policyholders were called upon for active war service because it would undoubtedly be necessary to draw upon the surplus and contingency reserves of the

entire company rather than just the surplus and contingency reserves established for the particular groups of policies exposed to the actual war hazard.

War clauses can be justified as a means of protecting companies against abnormal losses due to war, but that is not the primary purpose of such a clause, especially when war looms as a real possibility, Mr. Shepherd pointed out. The use of war clauses should be considered entirely apart from the question of whether or not this country may become involved in the present war. The thing that makes war clauses necessary at this time is that some people think there is such a possibility, however remote, and they want to make sure they are adequately protected through life insurance.

A war clause helps an insurer to keep down the volume of insurance with the greatest potential war losses, and to assess these losses, by the subsequent charging of extra premiums, where those losses occur, instead of charging them to the policyholders generally.

Reasonable to Adopt Measure

Canadians and citizens of other countries involved in war showed more than a normal interest in life insurance. Consequently it was only reasonable to adopt some measure to limit the amount of such insurance which would be issued and to further limit the coverage granted where there was more than the normal chance that the assured would become exposed to war hazards.

Generally speaking, a war clause consists of two sections. The first part is a statement of circumstances under which the benefits shall be limited and states the amount of that limited benefit. The second part consists of a statement under what conditions the restrictions may be waived by the payment of an extra premium.

Since war on this continent still appears as a remote possibility, it is considered possible to cover death while in military or naval service except while outside what is defined as the home areas. In considering death occurring outside these areas, very careful consideration has to be given to whether the limitation should apply to deaths resulting from military or naval service or whether the limitation should apply to all deaths. Determining the exact cause of death is difficult during war, and it was felt that there would be a certain number of deaths where there would be a serious controversy as to whether or not such death was the result of military or naval service. Such difficulties occurred in connection with the double indemnity clause

in United States policies during the last war. In order to avoid this trouble it was considered advisable therefore to exclude death from any cause whatsoever while the assured was outside the home areas.

Excludes Some Normal Causes

Such a provision would exclude certain deaths from normal causes as well as causes related directly to the war. It would not, however, exclude all the war deaths, and therefore it was considered desirable to provide for the exclusion of such deaths if they occurred within six months after return to the home areas. It was recognized that a six months period would not be long enough to exclude all the hazards due to war which occurred, but it was considered that this period was a reasonable trade for the exclusion of deaths due to all policies while outside the home areas. It probably will prove adequate as an exclusion in the majority of war deaths.

Aviation Hazard Begins at Home

The aviation hazard, unlike the military or naval hazard, begins at home. There is a very definite extra risk involved during the training period and this training may take place before the individual joins the military or naval forces. Therefore, the more general type of aviation limitation excludes death as a result of service, travel or flight in any aircraft used for training or military or naval purposes no matter where that may take place. There was some feeling that this limitation was not broad enough because there would be a great many young men who would become interested in aviation as a result of the war and would continue that interest after the war, and the limitation would give them full coverage at standard rates following the war. Consequently a number of companies have incorporated in their war clause a paragraph very similar to the general type of aviation limitation exclusion clause used prior to the war. Deaths are limited only to those resulting from aviation. There should be no difficulty to determine the cause of death within the home areas and little difficulty in case death occurs outside the home areas. There is some overlapping between the aviation limitation and the limitation concerning military and naval service.

Accidental Death Situation

Benefits in event of death by accidental means generally contain exceptions which are broad enough to exclude most deaths resulting from war. Experience in the last war indicates that a

number of troublesome questions arise in determining whether death was the result of military and naval service or not. Consequently, it is well to have a war clause providing that accidental death benefits are not in effect during military or naval services outside the home areas.

Aviation service in actual war is considered to be too hazardous to cover by the accidental death provision for any reasonable extra premium. Some companies are willing to cover the aviation training hazard in this regard for extra premiums amounting to \$60 per \$1,000, but others feel that this hazard too is rather hard to determine under stress of war and prefer not to offer such full coverage. Extra premiums for military and naval service have been fixed for the time being at least by the Canadian companies at \$90 per \$1,000 for accidental death benefits for all those outside the medical corps or aviation service. Some suggestions have been made that the companies should be able to cover even the aviation hazard if they charged an extra premium of \$100 per \$1,000 on all military and naval risks. However, it is likely that all aviators would pay the extra premium, while only a proportion of those in the other branches of the service would be willing to pay the higher extra premium. This brings out the point that in charging extra premiums it is essential to grade these extra premiums as closely as possible to the risk in order to secure the fullest protection against adverse selection.

Limited to \$5,000

The amount of accidental death benefits is generally limited in most cases to not more than \$5,000 in the case of an individual going into active military or naval service, although in other classifications, particularly those where the hazard is that of travel and residence, larger amounts can be justified in accordance with sound underwriting principles.

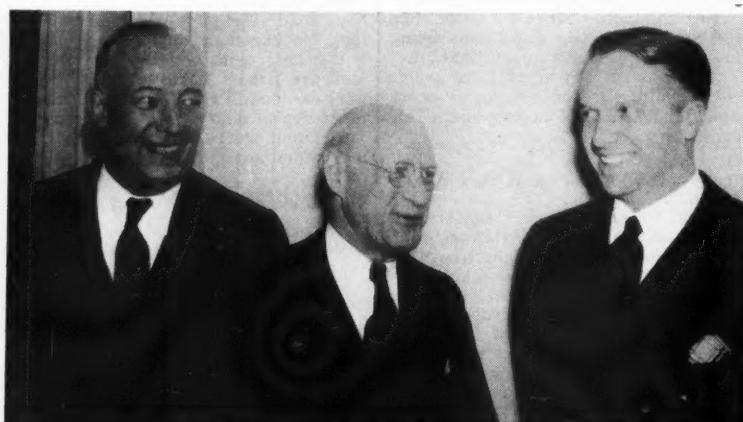
At the close of the last war there was some adjustment for extra premiums. It is too early to say what the companies will do at this time when the war is ended. However, it is safe to say that any adjustment which appears necessary and equitable, will be made by the companies, Mr. Shepherd stated.

KNIGHT FOR CLAUSE

Discussing Mr. Shepherd's paper, Prof. C. K. Knight of the University of Pennsylvania agreed that war clauses should be in policies for the protection of policyholders. The war clause, he said, may be a blow to the field force even though delivered with the best of intentions. Consequently the clauses should be prepared with extreme care so as to disrupt the field force's work as little as possible.

"The application of war clauses should be made with a view to encouraging the public to take and hold more life insurance than otherwise might be maintained in force," he pointed out. "Help for the field force and great care not to hinder it is the crucial point as regards clauses in practice."

"War clauses must be used more in the case of those most likely to be exposed to war and they should be used in the case of those who on account of nationality or other circumstances may be exposed to such hazards. Clauses should be carefully prepared and made as uniform as possible and should be agreed upon by companies and insurance departments so as to be ready for use in the case of the main body of applicants (CONTINUED ON LAST PAGE)



Life men took a prominent part at the annual meeting of the American Association of University Teachers of Insurance in Philadelphia. Left to right are H. C. Cross, manager Prudential, Philadelphia; L. F. Paret, general agent Provident Mutual, Philadelphia, and Pearce Shepherd, assistant actuary Prudential, who spoke on life insurance war clauses.

Socialistic Plan Is Declared Behind TNEC Inquiry

"Nation's Business" Says Real Aims Are Government Control, Entry in Business

WASHINGTON—Underlying purposes of the TNEC investigation of the life insurance business are to make a case for federal government supervision of insurance, to suggest the elimination of the agency system, and to obtain material upon which can be based a recommendation for some type or types of federal government operated life insurance in competition with private companies, it is declared in a special supplement to the current issue of "Nation's Business" magazine. These, the magazine says, are the obvious, immediate objectives. Government ownership and operation of various forms of insurance, it holds, cannot help but follow.

"Federal supervision," it is pointed out, "is to be inaugurated by giving the Securities & Exchange Commission authority over insurance investment—the heart of the business as a private enterprise."

Seek to Get Agent's Job

"Government life insurance has been proposed by Senator Wagner. A so-called government 'burial insurance' scheme was presented to the Temporary National Economic Committee by the actuary of the social security board, at the request of the Securities & Exchange Commission. The plan called for compulsory contributions 'from everybody in the country, man, woman and child.' Systematic attempts are being made to discredit the insurance agent; to show he is useless.

"The (government) planners recognize that the institution of insurance is a private, free, national enterprise which so far has escaped federal control. They know it is the backbone of the capitalistic system. They are aware that, over a long period of years, this business was created and developed by the people themselves for their own protection and motivated by their confidence in the insurance principle as established in their free economy."

Contrary to U. S. Methods

"All of this is contrary to the philosophy of those who believe in the nurse-maid theory of government. No private enterprise, they argue, should have such freedom or such an economic and social foothold. So they have begun, quite logically, to devise ways to alter the situation."

"The first problem is getting the government's foot into the banking and insurance door. Once this is accomplished, the socialist advocates of government ownership believe it will be easy to break in and seize the premises. Occupation of the premises will give control over nearly every productive enterprise."

Merle Thorpe, editor of the magazine, explained that the 32 page supplement was published at this time "to assist policyholders and beneficiaries in appraising and interpreting more intelligently the developments now shaping in the field of public policy."

"Two mighty forces," Mr. Thorpe said, "representing two conflicting theories of human relations, are at grips today in Europe—and in the United States. The combatants abroad use

(CONTINUED ON PAGE 23)

Canadian Officers' Head Finds 1940 Outlook Bright

MONTREAL—Confidence that life insurance will share in the general business improvement awaiting Canada in 1940 is expressed by A. P. Earle, president Canadian Life Insurance Officers Association and president of the Montreal Life.

Reviewing life insurance accomplishments of the past year and prospects for the next 12 months, Mr. Earle referred also to the steps taken to safeguard the interests of Canadian policyholders since the outbreak of the war, and gave a brief resume of the present business outlook, with special emphasis on the healthy state of life insurance in Canada.

Total new business written in Canada in 1939 is estimated at \$650,000,000 and total insurance in force about \$6,700,000,000, while the total paid to policyholders and beneficiaries exceeded \$150,000,000. These totals are exclusive of fraternal insurance.

War Clause Analyzed

Turning to the war, Mr. Earle reviewed the steps taken to protect the interests of all Canadian policyholders, civilian and military alike, following the outbreak of hostilities in September. He analyzed the war clause now incorporated in all new policies issued, pointing out that it was the view of the life insurance companies transacting business in the Dominion that they should act uniformly on the basis of the best experience and judgment available.

"There was little change in the investment picture during 1939 as affecting life insurance companies," continued Mr. Earle, "and it seems likely that interest earnings will be fully maintained at 1938 levels."

Gains in New Business and in Force Reported

In preliminary reports to THE NATIONAL UNDERWRITER a majority of the companies indicate gains both in new paid business and in increases in insurance in force.

Practically all companies showed gains in insurance in force. The following figures are estimates insofar as most of the companies are concerned:

	New Paid Business 1939	Business 1938	Change in Ins. in Force 1939 1938
American Home Life.....	\$ 1,790,441	\$ 1,575,102	+\$ 150,637
Bankers Life, Neb.....	8,723,962	8,511,316	-2,951,205
Beneficial Life.....	12,430,000	12,485,534	+4,969,112
Business Men's Assur.....	20,339,262	19,350,029	+1,965,351
Carolina Life.....	2,248,000 ^a	1,729,000	+1,347,000 ^a
Colorado Life.....	6,700,000	6,056,000	+1,032,000
Columbus Mutual Life.....	10,344,782	9,485,058	+2,758,195
Conservative Life, W. Va.....	8,000,000	6,944,501	+1,250,000
Continental American Life.....	20,483,901	23,032,106	+3,478,675
Excelsior Life, Can.....	13,500,000	15,675,000	+2,000,000
Expressmen's Mut. Life.....	1,783,500	1,493,000	+339,867
Farmers & Traders Life.....	4,000,000	4,607,200	+1,450,000
Fidelity Union Life.....	4,187,024	4,576,451	+1,256,736
Girard Life.....	3,000,000	2,512,570	+26,050
Guarantee Mutual Life.....	16,763,187	20,729,662	+2,311,230
Guardian Life, N. Y.....	40,200,000	45,07,838	+4,100,000
Gulf Life, Fla.....	54,430,240	41,599,827	+20,426,651
Home Security Life.....	18,775,000	18,127,511	+3,800,000
Home State Life.....	12,504,851	11,505,104	+2,393,975
Insur. Clerks Mut. Benefit.....	325,000	212,652	+62,000
Internal. Travelers.....	900,000	645,248	+300,000
Lincoln Liberty Life.....	7,000,000	5,873,000 ^b	+2,000,000
Manhattan Life.....	14,712,667	11,384,884	+2,437,867
Manufacturers Life, Canada.....	53,964,620	55,178,836	+16,800,000
Massachusetts Mutual Life.....	39,575,000	38,457,848	+31,350,000
Northern Life, Canada.....	5,475,000	6,046,000	+1,380,000
North American Life.....	10,300,000	10,365,631	+1,400,000
Ohio National Life.....	25,251,000	25,512,161	+4,522,407
Old Republic Credit.....	39,450,000	32,076,000	+5,750,000
Oregon Mutual Life.....	7,723,354	7,577,589	+2,969,285
Pacific Natl. Life.....	4,814,432	4,961,888	+4,677,052
Pathfinder Life.....	2,292,669	492,800	+1,456,420
Peoples Life, Ind.....	9,100,000	7,629,241	+2,700,000
Reserve Loan Life.....	9,375,000	9,304,163	+645,000
Savings Bank Life, N. Y.....	5,918,400 ^c	...	+5,918,400 ^c
Security Life & Trust, N. C.....	14,192,324	14,543,521	+3,948,588
Security Mutual Life, Neb.....	5,029,367	5,206,995	+1,608,147
Standard Life Ins., Ind.....	5,913,000	5,248,000	+4,239,000
State Capital Life, N. C.....	11,210,204	9,495,252	+3,094,455
State Farm Life.....	17,000,000	16,426,160	+7,000,000
Texas Life.....	4,350,000	4,559,829	+150,000
Union Labor Life.....	2,450,000	2,997,763	+3,700,000
United States Life.....	12,270,000	10,538,833	+3,763,000
Union Mutual Life.....	9,500,000	8,119,000	+1,500,000
Webster Life.....	569,991	414,803	+260,320
Wisconsin Natl. Life.....	4,050,000	4,831,176	+701,023

^aNot including reinsurance.

^b\$872,000 by reinsurance.

^cOrdinary only up to Dec. 1.

^dIncrease to Dec. 1.

^eFigures for first 10 months.

^fNo change.

A NOSE FOR NEWS

One of our New York underwriters was handed the lead of a small clipping from a local newspaper, announcing an engagement. A month later he reported that he had seen the prospect but had been unable to interest him, but would try again six months later.

But a year later the underwriter reported that while the original lead was not a particularly good prospect, he had introduced his best man. On this second prospect three policies were sold, two for \$5,000 each and one for \$40,000.

A month later he reported that he had followed through on the original lead and sold \$10,000 and \$40,000. And some time later he sold another \$40,000 to the original lead, plus still another \$40,000 to the second man.

Was it such a good "nose for news" in that engagement announcement that sensed so much business in such a casual lead? Or was it that the clipping warmed up the approach to a man who was "not a particularly good prospect"? Or was it that the underwriter, having made a good contact, did not waste it but tried again?

A good follow-through doesn't just happen. It is worked out, step by step.

* * *

THE PENN MUTUAL LIFE INSURANCE CO.

WILLIAM H. KINGSLY
Chairman of the Board

JOHN A. STEVENSON
President

INDEPENDENCE SQUARE, PHILADELPHIA

Smrha Voices Opposition to Dual Control of Insurance

LINCOLN, NEB.—Insurance Director Smrha is opposed to dual control of insurance as proposed in suggestions made in Washington as a result of the monopoly committee's hearings. Added expense to the policyholders through federal control in part is not justified by existing conditions in the field of regulation, he holds. The system of examinations of companies by the insurance departments, while capable of improvement, provides ample protection to policyholders in normal conditions, he believes. Federal examinations would be mere duplications, and that would follow once federal intervention in the regulatory field occurred.

SEC Check Is Not Needed

State laws regulate investments, and departments keep constant check on them, so that the approval of the SEC would not increase stability. Limitation as to size of companies is undesirable, as size is not an important factor.

Government representatives on the boards of mutual life companies should be sufficient to remedy any of the evils existing by reason of the ability of officers to perpetuate themselves in control, to the disadvantage of the policyholder, he says.

McGruder to "Weekly Underwriter"

M. R. McGruder, associate editor of the "Insurance Field" for 10 years, recently stationed in Atlanta, has joined the staff of the "Weekly Underwriter" in charge of its southern department, with headquarters in Atlanta. A trained newspaper man, Mr. McGruder entered insurance journalism in 1926 as editor of the "Southern Underwriter," continuing in that post until he resigned to go with the "Insurance Field."

Equitable Society's Basis for Honor Roll Listing

A departure of interest to life insurance people generally is the decision of the Equitable Society to base its monthly honor roll for agents' new business production on commission earnings rather than on volume or on premiums, as has been its practice for nearly half a century.

The announcement was made to the Equitable agency force by Vice-president W. J. Graham during the closing week of the year, and qualifications for the Century Club, Quarter-Million Club and Million Dollar Club will hereafter be determined by the following schedule of first-year commissions paid the agent from Jan. 1 of each year:

When the agent's first year commission equals \$1,200 (monthly average \$100), agent will qualify for club membership in \$100,000 Corps, Century Club; \$3,000 (\$250 monthly), \$250,000 Corps, Quarter-Million Club; \$12,000 (\$1,000 monthly), Million Dollar Club.

Indication of Performance

Quoting from an announcement from the home office to the agency force: "Qualification by an agent for membership in the agency clubs of the Equitable has long been recognized as an indication of performance and as measure of the service being rendered by him in his community."

"The aim of life underwriters everywhere is to extend the protection and security of life insurance to an increasing number of people. In the rendering of this beneficial service, it is our aim and hope to develop an ever larger number of substantial Equitable representatives who, devoting themselves actively to life underwriting as a career, will reap in abundant degree both prestige and financial recognition. This desirable objective, we believe, we are furthering through the agency clubs and especially through this new qualification basis."

Special Listing of Agents

Preliminary to this change, the Equitable has for the past six months published a special listing of agents whose commissions on new business have been at least \$100 a month, and to remain on

this list the minimum earnings must have averaged \$100 for each consecutive month on a cumulative basis. Beginning in 1940 this special list will be discontinued and a revised form of monthly honor roll, recording the company's 100 leading producers on a commission-earning basis, will be introduced.

Included in the new rating arrangements will of course be a proper credit for all annuity writings and for all group life insurance, group accident and health, group hospitalization and group annuity business, commissions on such production being credited to the agent along with his ordinary life insurance earnings. Whereas credit heretofore has been given for annuities and for group insurance on a volume basis, under an arbitrarily fixed scale, hereafter the entire first year commission earnings of an agent in any month will form a more accurate appraisal of his progress and for recognition by listing on the monthly honor roll.

Favorable Comment Received

The announcement to the Equitable's field force has already resulted in favorable comment both by managers and members of the soliciting staff. While monthly honor roll listings will be limited to the top 100 agents in point of total commissions on new business, the agency club qualification listings during the year will include the names of approximately 2,000 agents. These will be published quarterly, the listing under each club qualification—Century, Quarter-Million, or Million Dollar Corps—being determined by the commission earnings on a pro rata basis for each three months' period throughout the year.

The Equitable's move is an attempt to appraise more practically individual sales success among its several thousand agents. Conceivably, neither volume nor total premiums constitutes a fully dependable yardstick. Inasmuch as the newly adopted plan of the Equitable reflects the financial prosperity of the agent, it would seem a more fitting and faithful gauge of his standing and progress, month by month and year by year.

Valuation Rules Issued by California

SAN FRANCISCO—Commissioner Caminetti of California is distributing annual statement forms to companies, with a long explanation as to acceptable means of valuations and also calling attention that under a new California law the tax statement does not have to be filed before April 1. In past years the statement and tax statement were required to be filed by the first Monday in March. The general financial statement must be in the insurance department office by March 1, the modification being the further time granted for the premium tax report.

Valuations for bonds are the same as that approved by the National Association of Insurance Commissioners but the acceptable basis of valuation for stocks, as prepared by Commissioner Caminetti, is as follows:

"Stocks of corporations solvent on Dec. 31, 1939, and having paid cash dividends in 1939 at a rate, computed on the book value at which they, respectively, are carried by the reporting insurer, equal to or in excess of 3 percent, but in no event less than the minimum rate required to be carried to maintain their ratable share of the reserves to be maintained on outstanding policies and interest-bearing obligations of the reporting insurer at their respective book values; provided that if the foregoing conditions are satisfied in respect to the

acquisition cost of any of such stocks, such acquisition cost may be used for such stocks as satisfy said conditions. Acquisition cost as used therein shall, in the case of stocks acquired by exchange and in the case of rights received as dividends or otherwise, be held to mean a sum not exceeding the market value quoted at the date of acquisition."

Other stocks are valued on the commissioners' formula.

Seven Legislatures Go Into Session with New Year

Although this is an off year from the legislative standpoint, six legislatures went into regular session this week and Nebraska went into special session. South Carolina goes into regular session next week and the prospect is that special sessions will be called in a number of states. Louisiana is scheduled to go into regular session May 9. The states that went into regular session this week are Mississippi, Virginia, Kentucky, Massachusetts, New York and Rhode Island.

Former N. Y. Superintendent Named to Highest Court

Albert Conway, former insurance superintendent of New York, who resigned to accept an appointment as a justice of the New York supreme court, has been appointed to the court of appeals, which is the highest tribunal of that state.

New Vice-President of Life Counsel Body



ROBERT E. HENLEY

Robert E. Henley, vice-president, general counsel, and director of Life of Virginia, was recently elected vice-president of the Association of Life Insurance Counsel. He was born in 1886 at James City County, Virginia, and was educated at College of William & Mary (A. B.) and the University of Virginia (LL. B.). He is a member of the board of governors, Commonwealth and Westmoreland Clubs; he was formerly president of the Westmoreland Club. He is director of the John G. Walker Investment Corporation. He was formerly a member of the Planning Commission of Richmond; division superintendent of schools, 1910 to 1911; trust officer Old Dominion Trust Company, 1920; vice-president for Virginia of the American Life Convention. He became associated with Life of Virginia in 1920.

Life Insurance Law Meet in New Jersey

NEWARK—"Life Insurance Law" will be discussed at the meeting of the New Jersey Bar Association here Jan. 12.

Carroll M. Shanks, vice-president and general solicitor of the Prudential, will talk on "The Outlook for Life Insurance Regulations." Discussions will follow and include brief reviews of monopoly investigation, federal regulation of life insurance, trends of state legislation and incidental aspects of the subject.

Samuel J. Foosaner, counsel New Jersey State Association of Life Underwriters and chairman of the New Jersey Bar Association's life insurance committee, will speak on "Some of the Tax Problems in Life Insurance." Discussions will follow on life insurance assignments and their effect and possibilities of double taxation.

Louis J. Cohen, assistant attorney-general and counsel to the New Jersey state banking and insurance department, will talk.

A number of executives and general counsel of eastern life insurance companies have been invited to attend.

New Social Security Slide Card

A slide card which computes expected social security benefits from an individual's present average salary has been prepared by the Travelers for its agents. The card has a movable indicator which can be set to range from age 25 to 60 and in income from average monthly earnings of \$100 to \$250. One side indicates what the individual receives if he lives until 65 and the other side shows what his survivors will receive in the event of his death before 65.

General Agents to Meet in Florida

President Loomis of Connecticut Mutual and Other Officials on Program

The program for the annual gathering of the Connecticut Mutual Life's general agents to be held Jan. 8-11 at Hollywood Beach hotel, Hollywood, Fla., is announced. The program chairman is Earl F. Colborn, Rochester, N. Y., assisted by Wallace N. Watson, Boston, and Robert N. Waddell, Pittsburgh. These were appointed by V. B. Coffin, vice-president and superintendent of agencies. P. M. Fraser, vice-president, will open the gathering.

To Hold "President's Dinner"

President J. L. Loomis will attend and speak at a home office session the final day. He also will be honor guest at a "president's dinner" the second night. Others from the home office on the program are: Vice-president V. B. Coffin, G. H. Anthony, director. Harold N. Chandler, vice-president, is entertainment chairman, assisted by George F. B. Smith, assistant superintendent of agencies.

A theme runs throughout the business sessions, "Getting Men Into Dependable Production and Income," which is broken down into various elements. The first day it is "Adding New Men Qualified for Dependable Production and Income," with Mr. Colborn as discussion leader, assisted by John A. Ramsay, Newark; Phinehas Prouty, Jr., Los Angeles, and Warren K. Magruder, Baltimore. J. M. Fraser, New York, will preside at the Monday session, with greetings from P. M. Fraser, vice-president.

Remainder of Program

Tuesday, Mr. Ramsay will be chairman. The theme of the discussion will be that of getting new men into production, with Mr. Watson as discussion leader. He will be assisted by Harry F. Gray, New York; James G. Hill, Nashville, and Hugh C. White, Detroit. Paul C. Sanborn, Boston, will be chairman Wednesday, with Mr. Waddell as discussion leader on the topic of keeping both new and old men in production. He will be assisted by Sidney B. Rosenbaum, Cleveland, and C. J. Zimmerman, Chicago.

John H. Thompson, general agent at Hartford, and Mr. Hill will preside over the home office session as co-chairmen. Talks will be given by the officials mentioned. Other executives are expected to attend, especially from the agency and medical departments, to confer with the general agents on problems.

Plan Discussion Periods

The conference program has been built around the theme of showing what can be done to promote and maintain satisfactory production and income for both new and veteran agents. Among the things to be discussed by the general agents are: methods of maintaining a continuous flow of qualified prospects, developing skill in the use of organized sales techniques, of promoting the use of organized working habits, and of building morale. After the keynote speech each day, the meeting will be thrown open for a 45-minute discussion under the leadership of one of the members of the program committee.

J. F. Kinney Elected Director

J. F. Kinney, assistant secretary of Guaranty Mutual Life, has been elected a director succeeding Dr. A. C. Stokes, who is retiring as medical director after 30 years service.

Dr. Stokes, 70 years old on Dec. 24, has been seriously ill at his home with a heart ailment for a week but is reported improved.

This is NWNL's 55th Annual Financial Statement advertisement, appearing in leading newspapers (issues of Jan. 2, 3, or 4) and in Time magazine, out Jan. 11.

A REPORT and a PROMISE

A YEAR has ended, and another begun. In our country, blessed with peace, we have continued about our daily work. Part of the fruits of that work have been placed, as in past years, in the hands of the American life insurance companies, who are custodians of a large share of the personal security of 64 million policyholders and their beneficiaries. The care with which these funds are invested has made the words "life insurance" synonymous with "security." Northwestern National Life submits its 55th Annual Financial Statement herewith. As in past years, this is the first complete and final life insurance balance sheet to be published. Ask your banker, or some other qualified person, to give you his opinion of the intrinsic soundness of this Company's investment methods and management practices. Now, as to the future. Because a life insurance company must plan not for months or years, but for generations, NWNL will continue to manage its resources with the utmost care and conservatism. But to administer a life company in the best interest of its policyholders requires more than financial conservatism, important as that is. It

requires diligence and vigor in seeking out, through research, new ways to serve the policyholder better and at less cost, and to help him conserve his most important asset, his life insurance. It requires an open mind, willing to accept the facts disclosed by research, and to shape its course accordingly. NWNL accepts these requirements and lives up to them. In 1939, for example, NWNL pioneered by developing entirely new principles underlying agents' compensation, in keeping with today's enlightened conception of the life agent's function. By paying its agents rewards appropriate to the type of service the modern life agent is equipped and trained to give his policyholders, NWNL has pointed the way to decreased losses—to policyholder and company alike—from lapsed policies, and to an ultimate reduction in the cost of insurance to the public.

For the future, NWNL pledges continued allegiance to these two principles: in the care and management of resources, the utmost caution and conservatism; in the search for ways to make life insurance more economical and more useful, the utmost in progressiveness and open-mindedness.

FINANCIAL STATEMENT

December 31, 1939

RESOURCES		LIABILITIES	
Cash.....	(5.0%)	\$ 4,474,631	\$58,299,646
U. S. Government Securities.....	(25.8%)	18,989,077	None
Bonds Fully Guaranteed by the U. S.	(7.1%)	5,324,536	158,955
Canadian Government Securities.....	(.6%)	443,403	115,000
Other Bonds:			
State, County, and Municipal.....	(4.1%)	3,067,613	4,278,366
Railroad Mortgage Bonds.....	(8.4%)	4,806,546	343,384
Railroad Equipments.....	(1.4%)	1,087,659	296,115
Public Utility.....	(17.2%)	12,902,987	2,780,703
Industrial.....	(2.0%)	1,483,869	2,556,674
Miscellaneous.....	(.3%)	218,834	918,419
First Mortgage Loans.....	(9.7%)	7,292,650	
Policy Loans.....	(12.7%)	9,565,148	
Real Estate (Including Home Office Bldg. and Real Estate Sold Under Contract).....	(3.8%)	2,882,675	
Premiums, Due and Deferred.....	(2.7%)	2,009,826	
Interest Due and Accrued and Other Assets.....	(.9%)	655,726	
TOTAL	(100%)	\$75,205,180	\$75,205,180
Insurance in Force.....		\$440,570,713	{ With substantially the same volume of new business as in 1938, NWNL's 1939 gain in insurance in force was 60% greater than in 1938. }

NORTHWESTERN NATIONAL LIFE

INSURANCE

O. J. Arnold, President

COMPANY

Minneapolis, Minn.



Guertin Traces Mortality Table Developments

PHILADELPHIA—Alfred N. Guertin, actuary of the New Jersey department, delivered an illuminating address, "Mortality Tables—Financial Measuring Rods in Life Insurance," at the meeting here of the American Statistical Society. Mr. Guertin is chairman of the committee of the National Association of Insurance Commissioners on the mortality table situation, a committee that issued a report several months ago that is regarded as a major contribution to the business. He drew extensively from that report in his talk here.

"That the insurance industry," he said, "should be faced with the necessity of making explanations to policyholders that they do not base their premiums on, or that the cost of insurance is not controlled by, the mortality tables mentioned in their policies, explanations which are often beyond the ability of their agents to explain satisfactorily, is a handicap which they are entitled to have removed. The use of unnecessary artificialities which result in complications not readily understood to contracting parties in any agreement are undesirable. This situation gives the supervisory authorities a responsibility which they should not ignore. That that responsibility is being assumed by state supervisory officials with respect to the subject of mortality tables is shown by the action of the commissioners' association when it adopted recently the report of the mortality committee."

Misconstructions and Misunderstandings

Mr. Guertin observed that the states usually prescribe the rate of interest and the mortality tables which must be used in making valuations. Only a few tables will meet the requirements of all 49 jurisdictions and of these the American Experience Table is the most important. The use of this table has given rise to many misconstructions and misunderstandings.

Mr. Guertin set forth these broad purposes served by mortality tables:

- (1) The calculation of premium rates for insurance policies and annuities;
- (2) the calculation of non-forfeiture benefits on lapse or surrender of policies;
- (3) the valuation of insurance and annuity contract liabilities;
- (4) the calculation of dividends on participating contracts;
- (5) the fixing of standards of measurement in studying experience and closely related thereto;
- (6) the designation of standards of mortality in the underwriting of new business."

Actuary Has Choice of Tables

The speaker pointed out that for most purposes the actuary has a choice of tables. But only within certain limitations may he determine the appropriate mortality bases for the determination of non-forfeiture values. When the determination of a suitable table for policy reserve purposes is required, the problem of statutory bases presents itself.

"The effects of the use of modern tables instead of the American Experience table may be summarized," he said, "as (1) an insignificant change, if any, in the aggregate cost of insurance to policyholders generally, (2) a very slight rearrangement in the non-participating premiums of life insurance companies, and (3) the possibility of a somewhat more extensive rearrangement in the pattern of net costs to policyholders of participating insurance, either by variation in gross premiums, dividends, or both. Because tables based on recent experience are more nearly representative of actual mortality to be expected than those which are now prescribed by statute, it may be inferred that such changes would be in the direction of greater equity to policyholders of life insurance companies. On the basis of these arguments, the recommendation of the special committee mentioned, that

legislation permitting the use of more modern tables for valuation purposes be promoted, was adopted by the National Association of Insurance Commissioners at its meeting early this month.

Liberality in Annuities

"The laws of the various states are much more liberal in granting discretionary powers in the choice of mortality tables to supervisory officials, companies and their actuaries in the case of annuities than in the case of insurance policies. Almost complete freedom is available, subject to the approval of the insurance commissioners, in the choice of suitable mortality tables in the valuation of annuities. Where legal rigidities exist, they establish bases which, as a result of improved mortality among annuitants, appear to be inadequate to protect the solvency of companies. Observation on what has happened under these liberal requirements constitutes a strong argument for removing some of the rigidities now characteristic of our state valuation laws with respect to insurance."

Progressive strengthening in valuation standards, in connection with annuities, to meet current mortality and investment developments, has been accomplished without special legislation in the annuity field, he said. "This seems to me to be indicative of what would be likely to happen if companies, subject to suitable supervision, were given reasonable latitude in the determination of valuation bases for insurance. I am disposed to think that competition and normal evolution in the business would be the strongest possible forces to induce companies to use modern tables in the valuation of policy reserve liabilities in the same way that they now do in the calculation of premium rates for insurance and annuities and in the valuation of annuities. In addition, the placing of discretionary power in the state insurance commissioners to require changes in reserve standards on appropriate bases should properly safeguard the public interest by making it possible to enforce reasonably uniform action in the direction of adequacy."

R. A. Hohaus Gives Talk

R. A. Hohaus, associate actuary Metropolitan Life, discussing "Actuarial Problems in Social Insurance," said cost estimates are fraught with many more unknowns than for private insurance, largely because forecasts are thrown off by the continual shift in and out of covered employment. Further complicating the actuary's work, he pointed out, is the prospect of future changes in the plan itself as a result of changing political, social and economic conditions which themselves are impossible to foresee.

Because of these many uncertainties he urged that "it is all the more desirable that actuarial forecasts be made and that conservatism be the guiding philosophy regarding its quantitative provisions" in order that "the developments in social insurance will promote the safe passage of the nation over the near and distant years ahead."

Two Papers by Dr. Berridge

Dr. W. A. Berridge, economist Metropolitan Life, presented two papers but was unable to be present to read them in person. Discussing low interest rates and financial institutions, he said that low interest rates do not create recovery. While conceding that reasonably cheap money may be a necessary prerequisite, he stated that it is not a sufficient condition of itself. Furthermore, the cheapening of money has gone so far that anything further in this direction is bucking the law of diminishing returns, he indicated. Other conditions precedent to recovery have not been in effect long enough to give a clear idea of what may

STOCKS

H. W. Cornelius of Bacon, Whipple & Co., 135 South La Salle street, Chicago, gave the following stock quotations for life companies as Jan. 2:

	Par	Div.	Bid	Asked
Aetna Life	10	1.35*	30 1/2	32 1/2
Central, Ill.	10	...	9	11
Cent. States Life	5	...	1	2
Colum. Natl. L.	100		68	72
Conn. Genl.	10	.80	26 3/4	28 1/4
Contl. Assurance	10	2.00	39	41
Federal Life	10		4 1/2	5 1/2
Great Southw. L.	10	1.30	20	23
Kan. City Life	100	16.00	350	400
Life & Cas.	3	.50	11 1/2	13
Lincoln Natl.	10	1.20	30	32
No. Amer. Life	2		2 1/2	3
N. W. Nat. Life	5	.30	11	13
Ohio Natl. Life	10	1.25	23	25
Old Line Life	10	.60	10	12
Sun Life, Can.	100	15.00	265	295
Travelers	100	16.00	435	445
Union Cent. Life	20	1.20	20	25
Wis. National	10	1.00	16	18

be expected of them for the long pull, he said.

His other paper discussed investments in residential mortgages and the Metropolitan's new "Parkchester" project.

W. A. Jenkins, actuary Teachers Insurance & Annuity, explained the statistical pitfalls in the gain and loss exhibit, particularly with regard to mortality. He showed how a person unversed in insurance might readily go astray through failure to appreciate the full and exact meaning of the figures and their designations.

Other life insurance men who spoke were Dr. A. J. Lotka, assistant statistician Metropolitan Life, who presented a paper on "Lag Effects in Statistical Studies and Related Problems"; and H. H. Marks, Metropolitan Life statistical department, "Some Relations of War to Population Studies."

Dr. Berridge and Dr. Lotka were elected vice-presidents of the association.

Sales Training Plan Started

DALLAS—The Southwestern Life is inaugurating a comprehensive sales training plan for all agents who desire to participate as well as for all new agents. The program, worked out by Ben H. Williams, director of sales training, in cooperation with other company officials, was presented to the agents during a series of meetings in November and December.

The Southwestern will divide its salesmen into three divisions, recruits, junior salesmen and senior salesmen. Mr. Williams announced. The program provides for regular study, examination and seminars at the home office at regular intervals. As part of the program, the company will help its salesmen keep adequate records and plan their work.

Suit Against Guardian National

LINCOLN, NEB.—H. T. Holloway has filed a petition in district court here asking that a receiver be named for the Guardian National Life of Lincoln. He was formerly an agent, and the Nebraska department states that a claim he made against the company had been disallowed. About two months ago the company was notified of an impairment and was given 90 days to meet the criticisms. The department found ample policy reserves but not sufficient reserves to cover also surplus notes. In the last few years it has had three changes in management. F. M. Stapleton is now president. Its last report shows assets of \$77,218 and business in force \$1,021,000.

John G. Phillips, who retired as manager of the Des Moines branch of Travelers, expects to leave in a few days with Mrs. Phillips on an extensive travelling trip. He retired on a pension after 22 years service. They will journey first to California and then to Mexico and Florida. Mr. Phillips, who is an ardent fisherman, plans to try his luck at the sport during the trip. In a testimonial party attended by 43 representatives from

O. J. Arnold Again Gets Out First Annual Report

A \$13,543,111 gain in insurance in force, to a total of \$440,570,713 as of Dec. 31, 1939, is reported in the annual statement of Northwestern National Life. This compares with a gain of \$8,490,777 reported at the end of 1938.

Appearing as usual on New Year's day, the statement again is the first complete and final life insurance company balance sheet to be published.

"The fact that the 1939 gain in insurance in force was 60 percent greater than the 1938 gain—although the volume of new business was only slightly greater—is gratifying and highly significant," O. J. Arnold, president, asserted. "The essential reason is a further improvement in the renewal ratio—the ability, and determination, of policyholders to keep their insurance in force. Not only does this reflect a better financial condition on the part of the average family, but also an encouraging response to the company's thoroughgoing program of lapse prevention. Sales of paid-for new business for the year totaled \$63,052,626 compared with \$64,291,283 in 1938."

Assets show an increase of \$5,063,567 to a total of \$75,205,180, compared with \$70,141,613 as at Dec. 31, 1938. Contingency reserves and surplus, after setting aside voluntary additions of \$160,911 to special reserves for disability, annuities, and asset fluctuation, stood at \$3,457,918 compared with \$5,263,319 the preceding year-end.

Holdings of U. S. government securities and fully guaranteed bonds of government agencies totaled \$24,313,613, compared with \$24,295,794 the year preceding. Other bond holdings amount to \$24,010,911 as against \$24,206,788 a year ago. Total bonds represent 64.3 percent of assets. Mortgages increased to \$7,292,650 compared with \$4,525,481 as of the end of 1938. The increase was principally accounted for by expansion in FHA insured loans on city homes. Cash stood at \$4,474,631.

Real estate, including home office, and real estate sold under contract, decreased to \$2,882,675, compared with \$2,919,471 as of the end of the previous year, or only 3.8 percent of total assets.

There was a decrease in policy loans to \$9,563,148, from \$9,629,528 at the end of the preceding year, or from 13.7 percent to 12.7 percent of assets.

Premiums amounted to \$10,630,054 in 1939, and total income reached a new peak of \$15,160,680. Payments to beneficiaries of deceased policyholders totaled \$2,571,751; payments to living policyholders, excluding policy loans, totaled \$3,478,712. Since organization in 1885, payments to policyholders and beneficiaries have totaled \$107,193,412.

Show Life Insurance in Action

Chicago general agents are cooperating with the "Life Insurance in Action" committee in the final month's effort to bring to light as many actual cases as possible where beneficiaries of life insurance policies have been benefited.

F. J. Budinger, Franklin Life, chairman, reports that several leading agencies in the city are sending letters to beneficiaries who have received death claims, annuities and matured endowments in recent years, urging that they write briefly what those funds meant to them.

the Des Moines branch and over the state, he was given a beautiful watch as a parting gift from his agents.

"Pacific Insurance," published by Jack Piver, San Francisco, has opened a Los Angeles branch office in charge of Robert Cron, formerly with the "Insurance Field" in Louisville and Chicago.

Very Good! Thank You!

How Was Business in 1939?

EXCELLENT, THANK YOU

HERE ARE SOME HIGHLIGHTS

● **New Business 13.6% Plus**

One of the best years in the history of the company, the agency force paying for 13.6% more business in 1939 over 1938.

● **Insurance in Force Highest in History**

Total insurance in force is now the greatest in the history of Home Life.

● **Assets Highest in History**

Total admitted assets set a new high in eighty years of progress.

● **Gain of Insurance in Force**

The gain-of-insurance in force represents 41% of all new business paid for in 1939. It also represents 4.5% gain as related to total insurance in force at beginning of year.

● **Mortality Lowest in Years**

In the "low 40's". (Early press time prohibits printing exact figures, but actual mortality is only slightly over 40% of expected on American Experience Table.)

● **Low Declination Rate**

Of all business submitted in 1939, only 4.4% of the total policies were declined, and only 4.6% of total volume was declined.

● **Average Size Policy**

Home Life for two successive years [1937-8] led all life companies in producing the highest average sale. The challenge still remains—the 1939 figure is even higher than 1938, well over \$5,000.

The year's accomplishments are the result of the enthusiastic cooperation of the Field and Home Office forces. Home Life pledges the continuation of its program of providing the *ultimate* in life insurance service to the better-than-average risk through Planned Estates — and the *ultimate* in opportunity for advancement to every ambitious man associated with it.

ETHELBERT IDE LOW, *Chairman of the Board*

JAMES A. FULTON, *President*

HOME LIFE INSURANCE COMPANY

256 Broadway, New York, N. Y.

C. C. FULTON, *Agency Vice-President*

W. P. WORTHINGTON, *Supt. of Agencies*

Committee to Draft California Group Disability Rules

SAN FRANCISCO.—Companies writing group disability insurance in California may continue to use the same forms as they have in the past until Feb. 15, Commissioner Caminetti decided at a hearing here. After that date they must use the alternative forms and provisions prepared by the California department.

The changes result from amendments to the insurance code adopted by the last legislature, which provide that the commissioner shall prepare standard forms of provisions for both group disability and family expense disability insurance. A form for the family expense disability policy prepared by the department, following suggestions submitted by one company and embodying the standard provisions of the code with minor changes, was approved without question, but there was considerable debate on the general group proposals.

Several Group Association companies objected to the department's proposals and presented other provisions. Henry Reichgott, Equitable Society, chairman of the Group Association, had C. A. Sigfried of the group department of the Metropolitan explain the position of those companies. Marcus Gunn, actuary California-Western States Life, and Harold Levey of the same company, also spoke on the question. Mr. Sigfried presented the form prepared by the Group Association, suggesting it be added to the provisions submitted by the department, but this was objected to by the casualty companies, through George W. Kemper, superintendent accident and health department Fireman's Fund Indemnity.

Others who took an active part in

the discussion included W. B. Burge, Ocean Accident; Charles Dougherty, Metropolitan Life, and L. M. Caldwell, Fireman's Fund Indemnity.

Following a recess Mr. Kemper proposed that a committee composed of representatives of the Health & Accident Underwriters Conference, Bureau of Personal Accident & Health Underwriters and Group Association (accident and health section) be appointed. He also suggested that the department be represented and that Commissioner Caminetti appoint three other members "at large."

Haas Heads Committee

Commissioner Caminetti agreed to this proposal, instructed those present to submit the names of representatives before Jan. 30, named Assistant Commissioner Harold Haas as chairman of the committee and said he would name the three others. He also announced that this committee should attempt to prepare a set of standard provisions, in accordance with the California code, as expeditiously as possible, and tentatively set six months from that day for another hearing to discuss the report of the committee. Companies were requested to submit to Commissioner Caminetti their policy forms with index as to alternative forms or standard provisions.

No Jump in War Risk

Companies which have not adopted war risk clauses have been keeping a close check on any indications which might indicate the desirability of such measures. So far there has apparently been no increase in the percentage of applications among the foreign born of military age nor among young Americans between 21 and 31.

Increase sales with Social Security. Send \$1 for slide rule and full details to National Underwriter.

Important Changes by Phoenix Mutual

HARTFORD—Important changes in the field force of the Phoenix Mutual Life are announced. They include the opening of a new agency in White Plains, to be known as the "Westchester Agency." C. S. McAllister, a member of the field supervisory staff for the past three years, has been appointed manager and I. Austin Kelly, III, of White Plains, has been appointed associate manager.

Mr. McAllister joined the "New York Uptown Agency" a few months after his graduation from Dartmouth. He made an excellent record as a personal producer and for the past three years has been taking special training for management in several of the larger agencies. Mr. Kelly is one of the Phoenix Mutual's outstanding producers and qualified for the 1939 Million Dollar Round Table.

G. K. Harper, for the past year a supervisor in the "New York Lincoln Agency," has been advanced to manager of the Philadelphia agency, to replace Paul S. Mechling, formerly supervisor there, who steps up to associate manager at Pittsburgh. Mr. Harper, a graduate of the University of Illinois, became a \$500,000 producer in his third full year with the Phoenix Mutual in Chicago and won many outstanding field honors. Mr. Mechling, also a successful personal producer, began his Phoenix Mutual career in the Pittsburgh agency and later, as a supervisor, received training in agency management in several large agencies.

Erle B. Renwick, who has been in charge of the Portland, Me., agency since last April, has been advanced to manager there. A graduate of Bates College, he joined the "New York Downtown Agency" in 1931 and later that

year transferred to Portland where he continued his successful personal production.

Life Insurance Is Greatest Stabilizer in Family Life

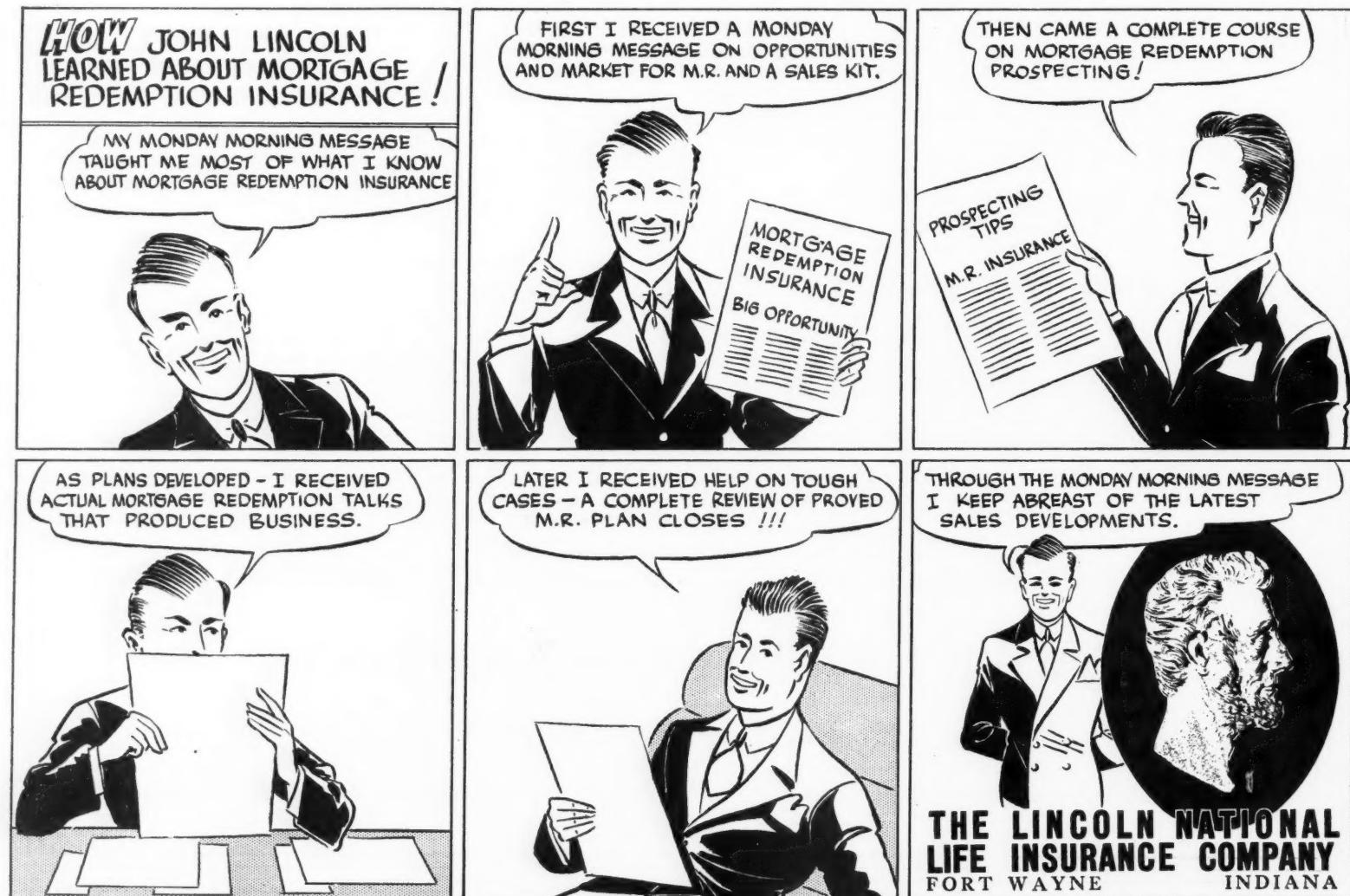
SAN FRANCISCO—The greatest stabilizer in American family life today is life insurance, according to Earl Warren, attorney-general of California, in commenting upon the "life insurance in action" essay contest. Writing to Harold Kay, chairman contest committee, San Francisco Life Underwriters Association, Mr. Warren said: "Nothing else can give a family as much protection and its breadwinner as much confidence in meeting the future as life insurance does. It is made to order for rich and poor alike and can be adjusted to the circumstances of the family."

Earning Power Uncertain

"Earning power," said Mr. Warren, "is always uncertain and wealth often disappears at most critical times in the life of a family, but life insurance is always present when it is most needed. Many persons who cannot possibly save enough from their earnings to adequately protect their families, can accomplish the same result through a sensible life insurance program. I derive more comfort and have a greater sense of security from my insurance policies than I could possibly obtain from any investment, even though it was twice the principal amount of these policies."

The agent who presents his proposition in the simplest and least technical language has a marked advantage.

Your job is to tell your prospect the things he ought to know about the thing he ought to buy—the thing you have to sell—money for future delivery!



"First Lady"**SIS HOFFMAN**

First lady of Union Central Life in 1939 and the company's leading producer, man or woman, Sis Hoffman of the J. C. Benson home office agency, did what few women have done by paying for \$1,055,000 last year, her second million dollar year. Mrs. Hoffman took the lead at the beginning of the year and held it until the end. She has attended six of the nine \$500,000 club conventions of the company and every meeting of the \$250,000 club. Joining Union Central in 1925 after being associated with the telephone company at Cincinnati, Mrs. Hoffman made her first \$500,000 year in 1930. In 1934 she paid for \$1,007,635. Her record this year is particularly outstanding, however, because of the greatly reduced credit given for annuities and the vastly greater life insurance production.

Mrs. Hoffman is probably the first of her sex to hold the distinction of leading producer for a major company. She is one of the company's colorful personalities and possessor of a charm and grace which are as widely known among Union Central fieldmen as her accomplishments on the firing line.

Home Purchase Plan Helps Agents Sell Insurance

LOS ANGELES—The Kellogg Van Winkle general agency of the Equitable Society for the final three months of 1939 has been handling the Equitable home purchase plan, which involves lending funds on owner occupied homes protected by ordinary life or higher forms of insurance.

These loans carry competitive interest and other features. As a result \$300,000 in loans was submitted by 40 agents in the period. In a large majority of the cases closed it was found the plan was of great assistance in starting carefully selected new agents to become self-supporting much more quickly than otherwise. The average commission paid per case was \$203.

Maynard Before Lions Club

BUFFALO.—A. R. Maynard, manager of the Lake Erie district of the Metropolitan Life and a director of the Buffalo Life Managers Association, will discuss life insurance from an institutional viewpoint before a meeting of the North Park Lions Club here Jan. 11. This is the first talk sponsored by the Buffalo Life Managers Association in connection with its new publicity program.

Memphis Agents Win Awards

MEMPHIS.—Of 29 men receiving the "Distinguished Sales Award" for 1939, given by the Sales Managers Club of the Memphis Chamber of Commerce,

six were life agents: James L. Herman, Guardian Life; C. T. McNamee, Metropolitan; Charles Moore, Connecticut Mutual; L. E. Olds, Jr., Prudential; A. B. Smith, Reliance Life, and Waddy West, Penn Mutual Life.

Writ of Prohibition Denied

The Indiana supreme court has refused to issue a writ of prohibition

against Circuit Judge Dan Pyle of South Bend, restraining him from assuming jurisdiction of an injunction suit brought by the Indiana department against the American Benevolent Society of South Bend, which issues certificates of death and disability insurance.

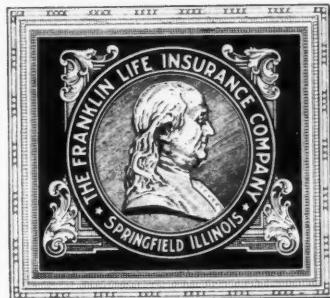
The department contended it is in fact an insurance organization, although not so qualified under the Indiana law. The society's trustees argue it is a benevo-

lent group formed for mutual benefit on a non-profit basis.

Continue "Northwest News"

PORLTAND, ORE.—Associates of Louis Sondheim, late owner-editor of "Northwest Insurance News," will continue publication of the monthly along the same lines as instituted by the founder.

Greater Than Any Social Service



55 Years of Success

*"Let us all do our
endeavors...for the
common service..."
Benj. Franklin*

**Chas. E. Becker, President**

Imbued with the traditions of more than fifty-five years of distinguished service and fortified by daily service that has continued uninterruptedly during its entire life, THE FRANKLIN, now operating in seventeen states, embarks on a new era of its brilliant career as a public servant. Founded by veterans with established principles, the business is being carried on by young, seasoned insurance men who realize that its greatest asset is the thousands of families and their descendants who are, or have been, policy holders in this great Middle Western institution.

In these days when Social Security has taken a most important place in the life of the nation, a nationally known organization of this character assumes large and imposing proportions. The Franklin is known to the institution of Life Insurance as one of the greatest of the old, conservative Mid-West companies. It has made steady and constructive progress throughout its fifty-five years of existence and its present management plans a program of expansion that will materially broaden the Company's fields of activity and service.

The **Franklin**,
Springfield • • Illinois

*Oldest Life Company Originally Chartered and Continuously Operating under Illinois Laws.
More Than \$175,000,000 Insurance in Force*

Group Coverages in 1939 Make Big Gain

President Parkinson of Equitable Reports Companies Have \$15,100,000,000

An extraordinary gain in insurance security for American workers was made in 1939, T. I. Parkinson, president Equitable Society, reported in announcing the annual group honor roll and record breaking group production figures during the last year.

Group insurance in force in all companies writing this form reached a new all time high record of \$15,100,000,000. Mr. Parkinson reported, the increase in 1939 being \$1,500,000,000. Ten million employees are covered by group insurance in 25,000 business houses. Equitable Society originated group insurance in 1911, he pointed out.

Other Group Coverages Gain

Peak figures were reported in other forms of group protection, including group accident and health, hospitalization with surgical benefits, accidental death and dismemberment insurance, and group annuities which are designed to protect employees against financial loss through accident and sickness and to alleviate old age dependency.

New group business in the Equitable Society, including all forms, last year amounted to \$356,444,000, exceeding the previous record total in 1938 by more than \$100,000,000. The gain in group life was \$200,000,000, bringing the total to \$2,200,000,000. Premium income for each of the five other group coverages increased over 1938, which was the best previous year, and the aggregate gain of more than \$4,000,000 premium brought the total to \$49,241,000.

"The record in group protection in 1939," Mr. Parkinson said, "indicates both a growing appreciation by employers and employees of the value of the low cost benefits provided, and the general improvement in business conditions. While the volume of the various group coverages held up well even during the worst of the depression years, in some instances showing appreciable gains, the remarkable increase in 1939 is an index of improved conditions on a broad industrial front."

Reliable Business Index

"The reliability of group insurance as a business barometer was never more apparent than in the last quarter of the year. The upward surge of business was reflected in two important ways, by the addition of many thousands of new and retired employees to the payrolls of companies providing group protection and by the action of hundreds of companies in providing one or more forms of employee insurance for the first time.

"Many of these companies had considered group protection previously, but had awaited conditions more favorable to their business. At the same time there was a noticeable disposition on the part of employers having group plans to provide additional coverages or to increase amounts of existing insurance."

Equitable Reports Increases

He said in the Equitable there was a notable increase in business written in the last quarter, more than 500 applications for various group coverages being received, a number exceeding the total received in any six months period in previous years. In numerous instances group life insurance was made effective in the Christmas season, the employers adopting the plan and paying the entire premiums as a present to employees.

Increases in group hospitalization with surgical benefits were particularly outstanding, Mr. Parkinson said. The expansion of this coverage last year to protect dependents of employees will

Confined to Bed, but Keeps Up His Production

An automobile accident early in December, in which his car was demolished, four ribs broken and other injuries received that confined him to his bed, wasn't enough to keep **Samuel Kiefer** from staying on the App-a-Week Club and procuring a fine volume of new business for December. He is agent of the Indianapolis Life at Gridley, Ill. The first week he had an extension telephone put in his room where he is still confined. While telephoning was a bit strenuous, Mr. Kiefer did it—and the applications kept coming in. Three men who live in three different cities and own businesses were prospects for business insurance. He called all three, had them go to his home, and during Christmas week alone he sent in \$15,000 on these three. He is emphatic in his praise as to the value of the App-a-Week Club.



Samuel Kiefer

"Editor & Publisher" Prints Article by H. J. Johnson

"Editor and Publisher," one of the important trade papers in the newspaper field, published an article in its Dec. 29 edition by Holgar J. Johnson, president of the Institute of Life Insurance. He discusses various aspects of public relations as it relates to life insurance. He states that the Institute will constantly be searching for new ways of serving the public, informing the companies as to the public's desires and informing the people that their desires are being served. Newspaper advertising will play an important part in this activity, he said. Another function will be to collect facts about the business that will become a source of accurate information for editors, writers and the public.

L.I.S.R.B.-A.L.A.O. Meeting Dates

The directors of the Sales Research Bureau at a meeting in New York selected as the dates for the 1940 annual meeting of the Research Bureau and Agency Officers Association, Oct. 29-31. The meeting will be held at the Edgewater Beach Hotel in Chicago.

Report Michigan Experience

LANSING, MICH.—The Michigan insurance department reports \$94,989,640 life premiums paid in 1938 in Michigan. The total premium (all classes) tax income amounted to \$3,677,259 while revenue from fees totaled \$270,577, bringing total revenues to the state close to the \$4,000,000 mark. The department's expenses are under \$80,000.

benefit the families as well as the workers. Group annuities also showed considerable activity.

Analysis of Coverages

The new group life amounted to \$102,200,000 accident and health \$32,276,000, hospitalization \$125,348,000, accidental death and dismemberment \$957,500,000, group annuities \$87,045,000, the total being \$356,444,000. The volume of group insurance in the United States and Canada is given as follows:

1912-\$	13,172,198	1926-\$	5,628,294,457
1913-	31,202,014	1927-	6,669,066,590
1914-	65,050,018	1928-	8,311,665,826
1915-	99,924,726	1929-	9,600,233,601
1916-	154,926,766	1930-	10,485,113,514
1917-	351,573,133	1931-	10,609,285,815
1918-	642,877,376	1932-	9,683,403,985
1919-	1,165,761,280	1933-	9,444,510,450
1920-	1,687,096,445	1934-	10,182,725,023
1921-	1,649,966,587	1935-	11,085,230,039
1922-	1,885,479,689	1936-	12,122,706,678
1923-	2,510,935,492	1937-	13,647,425,093
1924-	3,250,638,241	1938-	13,551,540,093
1925-	4,416,822,143	(est.)	.15,100,000,000

New Handbook Out, Covering California, Arizona and Nevada

The Underwriters Hand-Book of California, including Arizona and Nevada, which came from the press of THE NATIONAL UNDERWRITER this week, is a real tribute to the insurance fraternity on the coast, as it clearly shows the tremendous size and scope of the business which has been developed locally. Totaling 1,064 pages, it is larger than any of the other 30 state hand-books which the publishers prepare by nearly 200 pages.

The compilers of this mammoth new book report that 113,789 agents' brokers and solicitors' licenses were secured from the California insurance department. There were 91,455 fire and casualty agents' licenses, 14,759 life agents', 4,822 brokers' and 2,753 solicitors'. The 198 local town, county, state and company organizations which are listed in this book give some indication of the ramifications of the business on the coast.

The "Agency Department" is arranged to show each agent and agency in these states, with his address, companies represented, members of the firm, date established, other business transacted, if any, and other valuable data. While the agent's name and company representation is available from the records of the insurance department, the other extra data must be secured by personal calls and by mail. This agency information is arranged alphabetically by towns and with each town data is also given its population, classification as to fire protection, list of field men with headquarters there and the local insurance organizations.

Brokers' Organizations Shown

The new book is arranged for the convenience of the user and many new and interesting features appear. The agent and broker members of the Insurance Exchange of Los Angeles are indicated as are the members of the two San Francisco brokers organizations, the Insurance Brokers Exchange and the Society of Insurance Brokers. Because of local situations these listings are especially valuable. For those who are interested in the Los Angeles area the book is arranged with all the Los Angeles county towns in one section, so that the user has this information in one place instead of having to thumb through the book for information he wants.

While the principal section of the hand-book is the Agency Department there are many other features which make this a complete and usable reference book. For example, there is the "Company Department" in which are listed all the companies licensed to operate in these states, with full data as to their addresses, officers, financial statements, organization dates, states in which they operate, Pacific Coast departments and lists of field men, general agents and managers. This data is further cross-indexed in separate alphabetical lists of the fire field men showing name, companies represented, office address and office and home telephone numbers. Casualty and life general agents and managers' names are also cross-indexed in alphabetical lists.

Statistical Information Given

The "Statistical" section gives for these three states the fire companies premiums and losses, the casualty companies premiums and losses classified by lines written and the life companies insurance paid for and in force for several years. Totals are also given for each of these classes of business.

The other sections of this book contain brief resumes of the insurance laws of the three states, a showing of the special lines written by the fire and casualty companies, lists of adjusters, miscellaneous insurance interests and the national and local insurance organizations. All branches of the business

McCahan Heads the College Teachers

Chicago Is Likely to Be Selected as Place of 1940 Meeting

Prof. David McCahan, University of Pennsylvania, is the new president of American Association of University Teachers of Insurance. While Prof. Robert Riegel, University of Buffalo, was nominated for a second term as



DAVID McCAHAN

president, as has been customary in the association, he preferred not to be re-elected. Dr. McCahan as vice-president then automatically became president and the executive committee will elect a vice-president, as provided by the constitution in such cases. C. A. Kline, University of Pennsylvania, was elected secretary-treasurer.

May Meet in Chicago

Ordinarily the annual meeting is held during the week between Christmas and New Year's at the same place as the American Statistical Association annual convention. The statistical association has selected Chicago as the place and Dec. 26-29 as the dates for its 1940 meeting. Hence it is likely the teachers will also hold forth there.

"Underwriters Review" New Setup

The "Underwriters Review" of Des Moines is changing its setup. The magazine issued the first of the month will be greatly enlarged and will be devoted to sales articles and news items. The mid-month issue will be a news letter, devoted entirely to news items.

are covered—fire, casualty and life, stock, mutual and reciprocal.

Earlier this year THE NATIONAL UNDERWRITER acquired the rights to publish the hand-books for the Pacific Coast from the "Underwriters' Report" of San Francisco, which originated these books in 1908, and this is the first edition of the book for California, Arizona and Nevada. The Rocky Mountain Hand-Book was issued in September and contained the data on Colorado, Idaho, Montana, New Mexico, Utah and Wyoming insurance-wise. The publishers plan to prepare both of these books annually in the future so as to give up-to-date service to the Pacific Coast and Mountain field. Copies of these new books may be secured at the publisher's San Francisco office at 544 Market street, San Francisco, or by writing to the publication office at 420 East Fourth street, Cincinnati.

"Why I Bought Life Insurance," by C. T. Davies, 8 copies \$1. Order from National Underwriter.

PROMOTION FOR MOVING PICTURE



NEW YORK—The Institute of Life Insurance announces that promotion materials are available to all agents in connection with the 1940 booking activity of the film "Yours Truly, Ed Graham." The larger pamphlet in the picture outlines booking procedure and tells how to obtain prints. The smaller pamphlet contains synopsis of the story, testimonials from clubs and schools and

other material. It is designed for personal review with club and school officials contacted for showings or can be mailed to them. The materials will be supplied on request by the National Association of Life Underwriters or companies that are members of the Institute of Life Insurance, which is sponsor of the film. The picture is being seen by thousands throughout the country.

Clarify Zimmerman Statement on Compensation

C. J. Zimmerman of Chicago, general agent Connecticut Mutual Life and president National Association of Life Underwriters, desires some clarification made as to the statement that appeared in THE NATIONAL UNDERWRITER covering his greetings brought to the Association of Life Insurance Presidents annual convention when it stated that Mr. Zimmerman declared that "there would be objection to a salary compensation plan." Mr. Zimmerman digressed from his prepared address and referred to the committee that originated with the Association of Life Agency Officers to explore fully the subject of agency compensation.

Mr. Zimmerman says that he did make a statement that agents did not feel that a salary plan was the answer to the problem, but that he personally does favor a salary for a limited period of from three to five years for new men starting in the business until such time as first year and service commissions had been built up so that income would be leveled out and the salary would be no longer needed. In commenting further he said that even the man who did an unusually good job of production in his first year or two in the business, nevertheless did not receive sufficient cash commission to pay his way and that he had, therefore, to be subsidized either through his own resources or through those of a general agent. President M. A. Linton of the Provident Mutual Life is chairman of the committee that is to study the subject of agency compensation thoroughly. Mr. Zimmerman is a member of the committee.

Before you sell a man educational insurance so his son can get a B.A. or B.S. degree, be sure he has A-B-C insurance so his wife can take care of the son during pre-college years.

Lambert's Charges on Agricultural

LANSING, MICH.—S. A. Lambert, Bay City, former president of the Agricultural Life of Detroit, now in a departmental custodianship, has filed with the Ingham county circuit court a petition to intervene in the proceedings affecting the company. The petition alleges waste and dissipation of assets.

Death of B. B. Brady

The company was placed in custodianship some time before the death of B. B. Brady, who had gained control of it through stock ownership by a holding company. He was placed under a federal indictment at Cleveland in connection with his promotional activities and securities operations and that fact expedited action by the Michigan department to place the company under a protective conservatorship which has since been maintained. Mr. Lambert, prior to the department's action, had assailed the new management which had forced him out of the company, in communications to stockholders and policyholders. His current suit is based on his status as a stockholder and policyholder in the company.

Charges by Lambert

Mr. Lambert states in his petition that he has policies in force aggregating \$30,000 in protection and has an investment of some \$25,000 in 233 shares of the company's stock. The petition alleges that since the company was placed in custodianship under three special deputies of the insurance commissioner, including S. D. Tilney, being paid \$500 monthly, and L. G. Christmas, being paid \$250 monthly, overhead expenses have been "unreasonably and exorbitantly higher than in the previous experience of the company." It is further asserted that lapses during the 19 months custodianship period have brought the insurance in force from some \$9,000,000 down to less than \$7,000,000.

The court has fixed Jan. 8 as the date for hearing on the petition.

Dean Mayers of C. C. N. Y. Takes Provocative Stand

Dean Lewis Mayers of the City College of New York's school of commerce stirred up considerable newspaper publicity by his suggestion that life insurance be made a government monopoly since there is no hope of effective control by policyholders. While newspaper stories gave the impression that Dean Mayers' address before the American Business Law Association in Philadelphia was mainly a build-up for his government monopoly proposal, he said, when questioned later, that it was merely an offhand suggestion and not offered as a serious proposal and was purely incidental to his talk on mutual corporations as exemplified by mutual life companies, savings banks and building and loan societies.

Dean Mayers' suggestion was an arrangement under which the federal gov-

ernment would take over most of the companies' functions except the investment of funds. He was critical of "self-perpetuating" groups, declaring that the officers have a mutual company under their control and that even the directors have little real power.

Richard Y. Rowe, who was vice-president, secretary, superintendent of agencies and advertising manager of American Bankers of Jacksonville, Ill., has announced his candidacy for secretary of state on the Republican ticket in Illinois. He is a member of the Republican state committee. Mr. Rowe does not appear as an officer of American Bankers Life, which is in process of organization and is submitting a bid to the receiver for taking over the business of American Bankers. His brother, C. Y. Rowe, is president of the new company.

"Why I Bought Life Insurance," by C. T. Davies, 8 copies \$1. Order from National Underwriter.

Prepare for Action!

A war-like phrase, but Life Insurance has always been militantly arrayed against the financial invasions of death and disability.

Strengthened by their Company's thirty years of notable service, and equipped with every form of Participating and Non-Participating Protection, Great Southerners welcome the New Year and confidently accept the challenge to carry on!

May 1940 be your year too.

1909



1940

GREAT SOUTHERN LIFE INSURANCE COMPANY

E. P. Greenwood
President

Home Office
Houston, Texas

Action of Companies on Dividends, Interest Rates

The following summary of dividend schedule decisions might give the impression that only a small percentage of the 1939 dividend scales will be changed for 1940. However, an analysis of the 25 largest companies reveals that only eight have announced such action, four are making revisions, two are ex-

pected to announce changes in a few days, eight do not begin the dividend year until later, and the remaining three are non-participating. Thus the group which has 75 percent of the total insurance in force are making dividend changes. Another table will be published when more announcements are made.

Name of Company	Action	Non-with-Drawal Funds			With-Drawal Funds		
		Percent	Funds	Interest	Percent	Funds	Interest
Aetna	No change	3.0			3.0		
American Citizens	No change	3.5			3.5		
American Home	No change	3.5			3.5		
Baltimore Life	Decrease	3.5			3.5		
Bankers National	No change	3.5			3.5		
Bankers, Ia.	No change	3.75			3.75		
Boston Mutual	Ord. dept. no change; increase in industrial	3.0			3.0		
California-Western	No change	3.5			3.5		
Central, Kan.	No change	3.5			3.5		
Columbus Mutual	Approx. 10% inc., some dec.	3.5			3.5		
Confederation	No change first 6 mos.	4.0			4.0		
Connecticut General	No change	3.5			3.5		
Connecticut Mutual	Decrease in short term endowments; increase in ord. life; 30 pay life; paid-up at 65 and paid up at 70	3.5			3.5		
Equitable, N. Y.	Revised scale	3.0			3.0		
Expressmen's Mutual	No change	3.0			3.0		
Federal, Ill.	No change	3.5			3.5		
Fidelity Mutual	No change	3.5			3.5		
Fidelity Union	No change	4.0			4.25		
Girard Life	No change	3.5			3.5		
Great Amer., Tex.	No change	3.5			3.5		
Great Lakes	No change	3.5			3.5		
Great Northwest	No change	3.5			3.5		
Great Southern	No change	3.5			3.5		
Great-West	No change first 6 mos.	3.5			3.5		
Guardian	No change; post mortem div. payable after 1/1/40	3.5			3.5		
Home Friendly	No change	3.5			3.5		
Home, N. Y.	Adjusted downward	3.5			3.5		
Imperial, Can.	No change first 6 mos.	3.5			3.5		
Jefferson Standard	Tentatively no change	3.5			3.5		
John Hancock	No change	3.65			3.65		
Kentucky Home Mutual	No change	3.5			3.5		
Lafayette	No change	4.0			4.0		
London Life	No change	3.5			3.5		
Loyal Protective	No change	3.75			3.75		
Manhattan Mutual	No change	3.5			3.5		
Manufacturers	No change	3.5			3.5		
Midwest	No change	3.5			3.5		
Minn. Mutual	No change	3.5			3.5		
Monarch, Can.	Contd. until further notice	3.5			3.5		
Monarch, Mass.	No change	3.5			3.5		
Mutual Benefit	Reduction	3.5			3.25		
Mutual, Can.	No change	4.0			4.0		
Mutual, N. Y.	Approx. 12% increase	3.0			3.0		
Mutual Trust	Tentatively no change	3.5			3.5		
National, Vt.	No change except paid-up life reduced	3.5			3.5		
National Masonic	No change	3.5			3.5		
New England Mutual	No change	3.5			3.5		
No. Amer. L. & C.	No change	3.5			3.5		
No. Carolina Mutual	No change	3.5			3.5		
Northern, Can.	No change	3.5			3.5		
Northwestern Mutual	No change except 1st year div. on single prem. pol. 1/17/40	3.75			3.5		
Ohio National	No change (tentative until 1/17/40)	3.5			3.5		
Policyholders National	No change	3.5			3.5		
Presbyterian Min.	No change	3.5			4-3		
Provident Mutual	No change	3.65			3.5		
Relliance	No change	3.5			3.5		
Security Mut., Neb.	No change	3.5			(a)		
Service	No change	3-3.5			3.5		
Shenandoah	Minor changes	3.5			4.0		
Southland	No change	3.5			3.5		
State Farm	No change on old policies; new schedule on new issues	4.5			3.5		
State Mutual	No change	3.5			3.0		
Sun, Md.	No change	3.5			3.0		
Teachers I. & A.	No change	3.5			3.5		
Texas State	Approximate 8% increase	3.5			3.5		
Union Central	No change	3.5			3-3.5		
Union Labor	No change	3.5			3.5		
Victory, Kan.	No change	3.5			3.5		
Western, Mont.	No change	4.0			4.0		
Western Reserve	No change	4.5			4.5		
Wisconsin Life	No change	3.5			3.5		

*On certificates of deposit guaranteeing 1.5%, interest rate is 3% if payable annually; 2.85% if payable other than annually; where 3% is guaranteed, interest rate is 3.3% if payable annually; 3.2% if payable other than annually. Policy proceeds under other options receive 3.3%.

†3% on issues prior to 3/1/39; 2.5% on subsequent issues.

‡Income settlements 4%; deposit funds 3.5%.

(a) On dividend accumulations prior to 1/1/40, 3.5%; subsequently, 3%.

Program Announced for Minnesota Rally

ST. PAUL—The program for the sales congress of the Minnesota State Association of Life Underwriters was virtually completed this week with acceptances received from three of the four men invited to speak.

The congress will be held Jan. 25 at the St. Paul Hotel. Two successful life men and two important business men will do the speaking at the all day session.

John Morrell, Chicago, who in 1938 led the Equitable Society in production, will be one of the speakers. A. H. Motley, executive assistant to the president

of the Crowell-Collier Publishing Co., and Prof. J. O. Christianson, superintendent of the school of agriculture, University of Minnesota, are the other two who already have accepted.

Vary the Daily Program

Although there is much to be said for the agent who operates on a planned schedule and formulates his daily program systematically, variation frequently helps to rescue routine tasks from monotony. The discovery of some new idea may also result whereby some channel of stagnant energy can be unleashed.

There is no path no matter how simple it may be, into which the elements

Former President of National Life U.S.A. Died This Week

Funeral services for Robert D. Lay of Chicago, former president National Life, U.S.A., were held in the Grace-Land cemetery chapel in that city Tuesday afternoon. He died Monday night in Passavant Hospital at the age of 64.



ROBERT D. LAY

Mr. Lay was a Chicago native, being born Sept. 30, 1875. He graduated from Michigan Military Academy in 1894, and then started as a junior clerk in the head office of the Knickerbocker Ice Company. He later became assistant credit manager. Four years later he became manager for E. A. Shedd & Co., the Chicago real estate firm.

He was introduced to A. M. Johnson, who had purchased the National Life, U.S.A., and was its president. Mr. Johnson saw in Mr. Lay a young man of promise.

Started Up the Ladder

He, therefore, became associated with the company in 1902 as assistant to the treasurer. Mr. Lay demonstrated real aptitude for executive work. He worked himself through various positions in the office, being elected secretary, serving 14 years, becoming vice-president in 1920, and was chosen president in 1926, when Mr. Johnson became chairman of the board. Mr. Lay in many ways was the operating head of the company. He served as vice-president and secretary of the 29 South LaSalle Building Corporation, which was the home office building of the National Life, U.S.A. Following the failure of the National Life, U.S.A., he gave his time to the Hydrox Company, being vice-president and secretary. He was president of the Chicago Athletic Club in 1937-38, and had been a member of the board since 1932. He is survived by his wife, Mrs. Fidele Broughton Lay.

of variety cannot be introduced. Persons who complain of the monotony of living are only advertising the limitations of their own thinking.

A well known industrialist when a small boy had the job of carrying in fire wood to fill the wood box by the kitchen stove. He was often reminded of the monotony of his required chore. He liked variety. He was blessed with a constructive imagination, which enabled him to find variety in the simplest kind of job. He says he used to vary the task by different ways of piling the wood. Sometimes it would be in neat horizontal layers, sometimes on end; sometimes the sticks would be matched as to size and length.

Mr. Briggs announces that the printed proceedings of the 1939 annual meeting have been sent to members and that additional copies are available to both members and non-members from Dave B. Alport, Business Men's Assurance, Kansas City.

Great American Holds Convention

The convention of the Great American Life of San Antonio was held in the home office city. About 125 attended the luncheon at which W. L. Dugger, vice-president and director of agencies, presented Mrs. Carolyn Becker, mother of President Charles E. Becker. He then introduced the various company representatives. K. L. Riggs of Amarillo, Tex., was named as having contract No. 1.

Paul Becker, director of public relations, said each man who remains a member of the Consistency Club and produces his quota will receive a certificate signed by the president. He also announced the \$50,000 Club, membership to be based on consecutive weekly production.

Mr. Becker said a chart has been developed which will enable each agent to check himself week by week as to production and as to the persistency rate of his business. He announced that next month will be Dugger month in honor of W. L. Dugger, whose birthday comes in January.

Bartz Gives Presentation Plan

I. H. Bartz of Brenham spoke on the presentation plan which he uses. He stressed the importance of the first few minutes of an interview and suggested that a good question to arouse the interest of a prospect is what he expects his insurance to do for his family. He listed the needs for which life insurance is intended, including the cleanup fund, continued income and educational fund. As an answer to the man who says he can't own more life insurance, he suggested the question whether it would be easier for him to do with a little less, or the wife and children to do without a reasonable income.

A dinner dance for company representatives and company officials was given. Dinner speakers were: Maury Maverick, San Antonio mayor; R. L. Bobbitt of the Texas highway commission; Sylvan Lang, counsel for the Great American Life, and Herman Ochs, chairman of the board of a local department store. Mr. Ochs paid a tribute to the selling of life insurance, emphasizing that it is a service rather than merchandise. He said the term salesman is a misnomer for the insurance man because life insurance service is too valuable to be measured in dollars and cents.

President Becker concluded with a tribute to the work of his associates in the home office. W. L. Dugger was toastmaster.

M. D. Dugger, Jr., Houston, Tex., the winner of the Guatemalan cruise, chief award for the leading producer in October and November, paid tribute to his policyholders as the source of the business which made him the leader. About 45 agents attended the Sugar Bowl football game at New Orleans as the guests of the company.

J. L. Briggs Assigns Duties

DALLAS—John L. Briggs, assistant secretary Southland Life, as president of the Institute of Home Office Underwriters, anticipating an executive committee meeting early in 1940, announces the assignment of responsibilities of members of the executive committee as follows: W. E. Jones, annual meeting arrangements; Ralph W. Beeson, ordinary case clinic; Clyde L. Groover, industrial formal papers; Walter B. Lehmkul, ordinary round table; R. V. Southworth, Jr., industrial membership; John R. Ward, general formal papers; N. Terrell Weaver, industrial case clinic.

Mr. Briggs announces that the printed proceedings of the 1939 annual meeting have been sent to members and that additional copies are available to both members and non-members from Dave B. Alport, Business Men's Assurance, Kansas City.

How Easily Dispensable Is Middleman!

George Malcolm-Smith, who writes an essay in the Travelers "Protection" each week under the heading, "The Tower Telescope," has been turning out some superior work. He always has an interesting point or moral, but he writes with a light touch and he is always most readable. This week he says in a somewhat new way something that has been said in various other ways recently—the value of the middleman in insurance and in business in general.

"Save money on your insurance. Eliminate the agent and your insurance will cost you less. Why pay an agent's commissions when you can arrange your insurance program yourself?" Mr. Malcolm-Smith writes.

Quite an Argument

"There's a lot in that argument. There's a lot more, indeed, than its exponents perceive. There's enough in it to disrupt the whole competitive basis on which American business is conducted, to destroy the American system of private enterprise and, in the last analysis, to undermine the American democracy."

"For, if that sort of reasoning is accepted by the public in regard to one line of business, it should be acceptable as applied to all forms of commercial enterprise. Why limit its application to

insurance? Why not be consistent? Let's get rid not only of the insurance agent, but also of the retail merchant, the traveling salesman and the whole kit-and-kaboodle of middlemen, entrepreneurs, 'non-producers.' Why not?

Why Pay a Plumber?

"Be your own plumber. Why pay a plumber when you can learn to wipe a joint yourself after ninety or a hundred attempts? Get yourself a plumber-kit. The neighbors will be delighted to let you practice on their bathroom pipes."

"Be your own lawyer. If you're foolish enough to go to law, you probably haven't a case, anyhow. Why pay a lawyer to lose your suit when you can do it just as neatly yourself?"

"Be your own doctor. Make your own diagnoses and save money. What's the difference whether you're suffering from cirrhosis of the liver or angina pectoris? You're suffering, aren't you? And anyway, you've got to die sometime."

"Be your own undertaker. You can buy a textbook in any second-hand bookstall on lower Fourth Avenue and embalm your deceased friends and relatives. What if you do make a few mistakes at first? The deceased will never know the difference."

GIVES 20 HELPFUL RESOLUTIONS

The Peoples Life of Frankfort, Ind., gives 20 resolutions for general agents.

1. To free my mind from useless worry. Anxiety and fear over my health, my progress and my organization keep me from doing my best. I will free my mind by always anticipating the best.

2. To build a plan for agency growth and having built it, to follow it consistently month by month and allow nothing to throw me off my track.

3. To distinguish between main objectives and side issues. The more definitely I establish my main objectives the easier it will be to refuse to be sidetracked. More than ever, I must "stop watch" my activity.

4. To blame myself if unforeseen things go wrong, and not say, "Life isn't fair to me." Who ever said that we had any right to expect life to be fair to us? It is what we do, not what life does, that counts.

5. To make more intensive use of fundamental production stimulators: App-a-week, reporting, ten-a-month, daily work schedules, monthly individual conferences, club membership, definite quotas, and personal stimulation.

6. To divide my time more carefully between old and new organization. I must plan under schedule to work consistently with old organization and in securing new organization.

7. To give my men more sales help. I must remember that I am first of all a sales manager. Do I bring my men useable sales ideas?

8. To follow through on any plan I start. Have I been guilty of the sin of starting too many contests, too many programs, too many selling plans and then, becoming tired and confused, fail to follow through?

9. To separate my planning from my doing. I must treat these two parts of my job as entirely separate. First, I must plan with all the details as complete as possible and then I must carry out the plan.

10. To have more courage in dealing with my men: Courage to force the older agent to do the things that will build him up; courage to eliminate the man who seems sure to fail.

11. To look up to my men and not down upon them. After all, they are my men. I brought them in, trained them, supervised them. They are what they are largely as a result of my leadership.

12. To be quick to praise, slow to

blame. I am dealing with human beings and not with machines. They look to me for inspiration, leadership, motivation.

13. To study my business in the same way I urge my men to study their business. I must be as eager to know what is good and bad in agency building as I am that my men know what is good and bad in selling.

14. To remember that example is the first essential in leadership. Am I actually the kind of a life insurance man I desire my men to become?

15. To remember that it is the man in the agent and not the agent in the man that counts. If I gear my activity to the developing of men, production will follow.

16. To try at all times to give my men a proper environment for success. Have I built the kind of an agency in which it is easy for a man to succeed?

17. To standardize detail work so that my time can be free for more productive effort. Have I allowed myself to become a glorified cashier or office manager?

18. To maintain at all times an optimistic enthusiastic attitude. If I grow discouraged, have spells or moods, wonder what the job is all about, how can I expect my men to maintain the right mental attitude?

19. To cultivate the positive qualities that make for leadership: Vitality, cordiality, sincerity, ability to make decisions, real interest in others, fundamental soundness of thinking, a real philosophy of life.

20. To allow myself never to forget that an agency is but a reflection of the manager. Growth, vision, energy, planning, a spirit of ambition, alertness: All these factors must start at the top of the agency.

Society Relieved of Loss by Breach of Warranty

Breach of warranty by the applicant in failing to disclose previous rejections for life insurance resulted in a decision by the South Carolina supreme court that the Woodmen of the World was not liable to pay claims arising from the assured's death six months after issue of the policy as the result of injuries in an automobile accident. The society denied liability on the ground that Polatty, the certificate owner, denied in his

application he had been rejected for insurance applied for in other companies prior thereto but the beneficiaries claimed that any false warranties were waived by virtue of the knowledge of the agent who obtained the application.

North Carolina law provides that subordinate officers and members of fraternal societies have no authority to waive any provisions of the society's laws. Polatty had been rejected by eight other insurance companies between 1930 and 1936.

The lower courts rendered judgment in favor of the beneficiary. The supreme court held that to establish waiver the evidence must show the agent was instrumental in execution of the application and knew of its falsity, and that his acts were within the scope of his agency. However, the courts held the record did not show the agent had any connection with acceptance of application, issuance of contracts by the society or their continuance in force. It was held that the burden of proof was on the beneficiaries to show by greater weight of evidence the agent was acting within the scope of his agency, and that failure to show this was fatal to the beneficiary. Lower court judgment was affirmed.

The decision was briefed by Richard F. Allen, general counsel Standard Life and secretary-treasurer law section National Fraternal Congress.

Cleveland General Agents Elect

The Cleveland Life Insurance Executives Club has elected David M. Cowan, Sun Life of Canada, president. Claude Carr, Canada Life, is vice-president, and W. Allen Beam, State Mutual Life, secretary-treasurer.

A visitor in a certain agency room pointed to three unoccupied desks—desks with the tops rolled down, looking as if never used, the chairs for them pushed in under as far as possible.

"You could have more space in this room if you removed those desks," he said—"or perhaps you're planning to get new men and use them."

The general agent smiled, and said, "Come on over here." He led the way down the long room and pointed to a bulletin board which gave the names of his agents and their records. "Those desks," he said, "are assigned to the three men whose names are at the top there. We have to keep the desks for them—like to do so—because once in a while they may want to use them to write a letter or fill out papers. They don't look as though they are used much, I'll admit, and they're not." Successful field men are not desk men.

Our New ARROW of GOLD POLICY Provides—

- 1—Low cost protection at less than term rates.
- 2—Selection of any renewal period (not less than five).
- 3—Renewal privileges any number of times until age 60.
- 4—Final renewal to age 70 (selection period ends at age 60).
- 5—Conversion privileges any time until age 70.

A liberal, flexible, low cost contract. Extraordinary first year commissions and renewals.

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Exceptional General Agency contracts in the states of Illinois, Iowa, Indiana, Ohio, Missouri and Kansas

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EDITORIAL COMMENT

Open Agitation for Federal Control

DISCLOSURE that members of the federal monopoly committee have been informally considering steps toward federal regulation of life insurance indicates that life insurance men were not just seeing bears under the bed when they predicted such a move early in the life insurance hearings. While no names are coupled with the story it seems inconceivable that the information hadn't the sanction of the TNEC's chairman, Senator O'MAHONEY of WYOMING, for he has for some time been agitating for "national charters for national business."

Furthermore, unlike the DIES committee, the TNEC has been pulling together quite well. The lone dissenter on many points in connection with the life insurance inquiry has been Senator KING of UTAH and the views expressed in this latest trial balloon are certainly not his. There is no one on the TNEC who would take it upon himself to speak for the committee along the lines indicated by the WASHINGTON dispatches without O'MAHONEY's consent. Any member sincerely interested in furthering the objectives outlined would be cooperating with O'MAHONEY and not trying to work independently of him. Consequently it may safely be assumed that O'MAHONEY is the one behind the recent revelations. The TNEC's chairman has had a week in which to deny the reports if they were erroneous but no denial has come from him.

Just who is with O'MAHONEY on this question is difficult to say. The TNEC is composed of three Senators, three Representatives, and six members representing departments of the federal government. He should have no trouble lining up the latter. But from the angle of getting any legislation passed, the congressional members of the committee are vastly more important. Senator BORAH collaborated with O'MAH-

HONEY on a federal licensing bill some time back. Senator KING's views as he has expressed them do not jibe with any further encroachment of federal control. The three members of the house of representatives have expressed no opinions which throw much light on their probable attitude toward extending federal supervision to life insurance.

Thus, it appears quite likely that the report from WASHINGTON is solely a personal trial balloon of Senator O'MAHONEY with, of course, the support of the New Deal.

One important effect of the disclosure that federal supervision is being seriously considered by the TNEC is to blast any remnants of the quaint notion that the SECURITIES & EXCHANGE COMMISSION has been engaged in an "objective study" of the insurance business in the process of digging up material for the TNEC. The SEC has denied that it was pointing its investigation toward the attainment of any particular objective. It has ridiculed the idea that it has gone into its investigation with pre-conceived notions. It now becomes abundantly clear that the main objective has been to pave the way for federal supervision. Far from being an objective survey, the SEC's work has been distorted to fit this aim.

In this connection it is interesting to remember that when the SEC brought in the assistant actuary of the SOCIAL SECURITY BOARD to testify on the feasibility and cost of a nationwide \$250 burial insurance plan it was denied that this was anything more than a measuring stick for costs of industrial insurance and that there was no thought whatever of putting the federal government into the insurance business by actually promoting such a plan.

Paul vs. Virginia a Fraile Barrier

THE VENERABLE Paul vs. Virginia decision of the United States Supreme Court that insurance is not commerce and hence not subject to Congress's authority over interstate commerce looks frail indeed now that death has removed conservative Associate Justice PIERCE BUTLER from the supreme bench. T. W. ARNOLD, assistant United States Attorney-General, has been quoted as saying of the Paul vs. Virginia decision that "we can get that changed any time we want to."

Those who might have disputed such a statement before the death of Justice BUTLER would find their case much weaker now. Whoever is selected, the new jus-

tice is certain to be a New Dealer. With the filling of the vacancy, President ROOSEVELT will be able to do all he aimed for in his ill-fated congressional battle for the remodeling of the courts.

Since the law is what the UNITED STATES Supreme Court says it is, the opinion accompanying the court's decision that insurance is commerce may be filled with flaws in reasoning but once the decision is made it will remain as long as the court continues its New Deal complexion and probably even after.

Moves for federal control of insurance have undoubtedly been made with the ultimate intention of getting the Paul vs.

Virginia decision swept out of the way by a friendly SUPREME COURT.

With the changing make-up of the SUPREME COURT, the Paul vs. Virginia decision has become a progressively weaker barrier against federal control. From now on obviously not the slightest reliance can be placed on it. It is probably just as well

that the decision should be regarded as completely worthless rather than as a possible source of aid. Lately it has tended to be over-estimated and hence a possible source of false confidence. Insurance men will await with keen interest forthcoming events that may have a bearing on this point.

PERSONAL SIDE OF THE BUSINESS

The engagement of Miss Elizabeth F. Fischer, daughter of Mr. and Mrs. Chester O. Fischer, to Ernest Alfred Johnson, son of Mr. and Mrs. Ernest Alfred Johnson of Andover, Mass., was announced at a tea given in her honor by her aunt, Mrs. Fred M. Faber, and her sister, Miss Catherine M. Fischer, at the home of Mrs. Faber in Peoria, Ill. Miss Fischer attended Smith College for two years and is this year taking her junior work at Northwestern University. Her father is vice-president of Massachusetts Mutual Life. Mr. Johnson was graduated last year from Amherst College and is now taking graduate work in foreign languages at the University of Chicago.

W. R. McClure, manager ordinary department Life of Virginia in Indianapolis, has been elected vice-president of the Salescrafters Club.

T. M. Riehle, general agent in New York for Equitable Society, and a past president of the National Association of Life Underwriters, has been elected a trustee of Lenox Hill Hospital in New York.

John W. DeForest, Buffalo general agent Aetna Life, addressed the Cornell Club there.

Rollo Hays, Jr., of Hays & Broadstreet, Los Angeles general agency New England Mutual Life, is bound eastward to attend the general agents association convention of his company, starting next week. After that meeting he will join his brother, W. Eugene Hays of the home office agency department, and his father, Rollo Hays, Sr., and a sister who is attending school in New England, in a family reunion at the home of W. Eugene Hays before returning to Los Angeles.

Mr. and Mrs. John A. Risk of Fargo, N. D., observed their 56th wedding anniversary there. Mr. Risk has been with the North American Life since 1910, and has resided in Fargo since 1919.

Walter Stoessel, Jr., son of W. J. Stoessel, general agent National Life of Vermont, Los Angeles, who is a junior at Stanford University, is studying this year at the School of Diplomacy at Lausanne, Switzerland, and is writing a series of feature articles on his impressions of the European scene for the "Stanford Daily" and the Beverly Hills "Citizen."

H. E. Belden, associate general agent Union Central Life, Los Angeles, besides being a noted tarpon angler in the Gulf of Mexico, is an expert in designing and making beautiful furniture and other articles from wood. One of his latest creations is fully described and illustrated, with his own "by-line," in the last edition of "Popular Mechanics."

Detroit's Negro life insurance executives are playing a prominent part in plans for the Negro Progress Exposi-

tion to be held in Detroit in May. Charles Mahoney, president; Moses L. Walker, treasurer, and Louis C. Blount, secretary of the Great Lakes Mutual Life, are members of the committee in charge.

Alwyn A. Roberts, assistant district manager at Gainesville, Fla., for the Peninsular Life, is anxiously waiting for Grantland Rice's movie feature, "Sportlight," to appear. The life-saving trick of Mr. Roberts' 12-year-old son, Eric, and his dog, "Bozo," came to the attention of Mr. Rice and he screened it for his feature.

H. H. Huddleston, supervisor of the northern zone for Provident Life & Accident, has recovered from an operation and is able to leave the Cleveland Clinic.

Earl J. Hood of the Toledo, O., office of the Travelers has averaged a policy a day for eight years. Mr. Hood in 1939 qualified for the Accident Producers Club for the eighth consecutive year, and also for the Life & Accident Application Club.

DEATHS

Arthur R. Curtis, supervisor of the Continental Assurance in the Insurance Exchange branch, Chicago, died at Hines Hospital where he had gone several weeks ago for observation and to prepare for an operation. He began to lose weight rapidly not long ago. It was found he had a cancer of the lungs, but the surgeons thought they could extend his life by operating. He died before they could do so. The branch dedicated December to him and produced \$500,000 in his honor. A military funeral was held at What Cheer, Ia., where he had been commander of the American Legion post. A number from the branch attended.

Eldred A. Reeder, who died the other day at Columbus, O., at the age of 80, was the first treasurer of Columbus Mutual Life and he served as one of its directors and on the executive committee for several years.

Mrs. Emile Bienvenu of New Orleans, wife of the chief examiner of the Louisiana insurance department, died last week at the age of 51. Mr. Bienvenu was unable to attend the meeting of the National Association of Insurance Commissioners at Edgewater Park, Miss., owing to his wife's critical condition. He is head of an accounting service in New Orleans. Mrs. Bienvenu was Democratic National Committeewoman for Louisiana, serving since 1932 when Senator Huey Long was Louisiana leader. She was prominent in New Orleans social circles.

W. C. Mage, 72, father of John R.

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Mage, one of the leading producers of the W. K. Murphy agency of the Northwestern Mutual Life in Los Angeles, and himself a veteran agent of the company, died at his home there. A native of Illinois, he was a graduate of Knox College, in Illinois, and he signed his first contract with the Northwestern Mutual in 1899 at Kewanee, Ill.

H. B. Hetrick, 73, for a number of years southwest Iowa manager of the Bankers Life of Nebraska, with which company he had been connected for 36 years, died at his Omaha home.

James A. Wattie, who many years ago organized the China Mutual Life at Shanghai, later absorbed by the Sun Life of Canada, died at his home in Victoria, B. C., following a long illness. Born in Quebec in 1866, Mr. Wattie joined Sun Life and went to China shortly before the turn of the century as its Shanghai agent.

O. E. Houchins, district supervisor for Business Men's Assurance at Charleston, W. Va., died after a lengthy illness. He had been with B. M. A. for seven years and had been district supervisor since 1935.

Joseph A. Martin, 59, Memphis agent New York Life, died from pneumonia. Mr. Martin formerly was with Travelers and Pacific Mutual.

George T. Wood, 76, who had been in life insurance work in Columbus, O., 40 years, died there. He had been with the Prudential, Metropolitan Life and Western & Southern.

eon meeting Mr. Waggoner showed colored motion pictures taken during his recent tour of Europe.

Van Wart Promoted by Sun Life

V. B. Van Wart has been named assistant treasurer of the Sun Life of Canada. He has been with the Sun Life since 1923, when he entered the investment department. In 1929 he was appointed chief clerk, and in 1936 he became supervisor of the investment department.

CHICAGO

New Mutual Life Manager Is Welcomed to Chicago

A rousing welcome was given Gifford T. Vermillion, new manager in Chicago for the Mutual Life of New York, by 160 agents when he was introduced by Walter F. Shaw, assistant manager of agencies from the home office, at a



GIFFORD T. VERMILLION

special agency meeting Monday. Samuel Heifetz, John R. Hastie and C. L. Coyner, Chicago managers, and W. G. Warren, manager Chicago clearing house, spoke, stating they were happy to have Mr. Vermillion as an associate. C. H. Anderson and Nathan H. Weiss welcomed Mr. Vermillion on behalf of the agents.

In introducing Mr. Vermillion, Mr. Shaw cited his outstanding past record and told of his leadership and ability. Mr. Vermillion, who has been manager at Milwaukee for 14 years, has established a splendid production record in his 23 years with the Mutual Life. In reply to Mr. Shaw, Mr. Vermillion pledged his cooperation to do everything possible to make the agency "one big happy Mutual Life family."

"Vermillion's Million a Month" will be the agency's aim. Plans are being made for an intensive educational program at the agency's meetings on Monday mornings. Programming will be stressed at the first session and later new ideas on taxation, corporation insurance and methods for increasing production will be covered by Mr. Vermillion.

HOWARD GETS ILLINOIS BANKERS

Thomas W. Howard, who operates the Ideal Insurance Agency, 222 West Adams street, Chicago, and is especially well known in the accident and health field, has been appointed general agent of the life department of the Illinois Bankers Life.

To make sales, you must give your prospects reasons—compelling reasons—for buying, and then a chance to buy. If you neglect either phase of your job you are doomed to disappointment.

**94 YEARS of
DEPENDABLE PERFORMANCE**

Complete Mutuality In Action

A principle which Connecticut Mutual has followed religiously through the years has been that of making all new developments retroactive whenever possible.

New benefits as developed and made retroactive have been of incalculable value to old policyholders. Such concrete evidence of Connecticut Mutual mutuality has built solid good will and public confidence—an asset of tremendous value to the Connecticut Mutual life underwriter.

Examples of benefits made retroactive as they were developed include: grace without interest; reinstatement; settlement options; extended insurance; change of plan; removal of restrictions on residence, travel and occupation; additional indemnity agreement; policy loans; privilege of paying premiums in installments; and the family income agreement.

Most recent benefit made retroactive was the liberalization of the additional indemnity agreement to protect fare-paying passengers using the scheduled passenger air service.

CONNECTICUT MUTUAL
LIFE INSURANCE COMPANY • HARTFORD

LIFE SALES MEETINGS

Lincoln National Holds Billionaire Convention Jan. 8-12

Approximately 500 agents, home office officials, wives, and guests, will attend the Billionaire convention of the Lincoln National Life at Miami, Fla., Jan. 8-12.

Special plans have been made to celebrate the attainment of a billion dollars



ARTHUR F. HALL

of insurance in force, and to honor the founder and present head of the company, Arthur F. Hall. Mr. Hall was the active head of the company at its founding in 1905, and 35 years later he is still the chief executive and chairman of the board of directors.

The convention starts Jan. 8 with formal meetings opening Jan. 9 with A. L. Dern, vice-president and director of agencies, presiding. Mr. Dern will deliver the opening address. President A. J. McAndless will talk on "Our Relationships." A feature of the first morning's session will be an informal discussion, "Reminiscing Along the Road to the Billion," by Mr. Hall. The afternoon will be devoted to sightseeing and other entertainment.

Round Table Discussions

On Jan. 10 a general session will later be divided into two round table discussion groups. C. F. Cross, second vice-president and manager of agencies, will preside. The schedule for the first round table sessions includes: "Where and how I find prospects today," led by C. F. Hanson of Houston; "How I present insurance programs and actually sell insurance to meet those programs," L. G. Rupert, Kansas City; and "How I present the need for partnership and stock purchase insurance and sell insurance to cover that need," H. C. Lawrence, Newark.

The second round table discussions will cover: "How I secure prospects for and actually sell mortgage redemption insurance," led by J. W. Hackett, Jackson, Mich.; "How I get interviews and arouse interest," G. E. Bennett, Cleveland; "How I meet today's objections and close business," R. E. Murphy, Sacramento, Cal.; "How I present insurance programs and actually sell insurance to meet those programs," John D. Marsh of Washington, D. C.

Each agent will have the opportunity to attend one discussion group each session.

Wednesday afternoon will be devoted to recreation, including a special trip, the opening day of the season, to Hialeah Park.

No business sessions are planned for Jan. 11. In the afternoon a water carni-

val will be held at the Miami Biltmore hotel. The convention banquet is in the evening at which time outstanding records of field men and club men will be formally recognized by Vice-president Dern.

The final business session will be held Friday morning, with Mr. Dern presiding. Charles J. Zimmerman, Chicago, president National Association of Life Underwriters, will speak. The convention proper will close at noon Friday with a short farewell talk by Mr. Dern. That evening members of the top production club, "The President Club," will leave on the S. S. Florida for Havana. President Club members will return to Miami from Havana on Jan. 15.

Home office men who will attend the meeting in addition to those mentioned include: A. J. McAndless, president; R. R. Baird, vice-president and general counsel; Dr. W. E. Thornton, second vice-president and medical director; W. B. F. Hall, second vice-president; S. C. Kattell, secretary and actuary; J. P. Carroll, F. W. Gale, and A. H. Hammond, superintendents of agencies; J. J. Klingenberg, agency secretary; W. T. Plogsterth, director of field service; and F. L. Fisher, advertising manager.

Pacific National Plans Two Day Production Meet

Plans for the annual convention of the production clubs and agency managers of the Pacific National Life in Salt Lake City, Jan. 12-13, have been completed. In addition to the business sessions, a



CARL R. MARCUSSEN

reception and dinner dance will be held the first evening. A feature of the gathering will be the analysis of 1939 results and plans for 1940 to be presented by President Carl R. Marcuse. The complete program follows:

Jan. 12, 9:30 a. m.

"1939 Results and 1940 Plans," Carl R. Marcuse, president.

"How the medical department and the agent can cooperate to mutual advantage," Dr. W. T. Ward, medical director.

"Increased agency income through renewals. What promotes high percentage record," N. L. Morris, secretary-treasurer in charge of conservation.

"Questions most frequently asked, their answers," Ray H. Peterson, office manager.

"My duties and responsibilities and how agency can and does cooperate," E. H. Gamette, agency auditor.

Luncheon in charge of A. M. Jacobs, general agent, Provo, Utah.

Jan. 12, 2 p. m.

Chairman, Mr. Morris.

Greetings, Frank Mozley, president

Salt Lake Life Underwriters association, and A. E. Buckwell, president Utah Life Managers association.

Address, Commissioner Neslen of Utah. "Discovering needs and fitting life insurance," A. W. Conover, president Insurance Sales Corporation, Salt Lake, general agents.

"Though you are a messenger of peace, you will need the courage of a soldier," Kenneth W. Cring, general agent, Ogden, Utah.

Jan. 13, 9 a. m.

Chairman, Ray H. Peterson.

"The accumulation contract," Bert E. Corporon, general agent, southern California, Long Beach.

"The G. P. R. contract," Hugh Tuttle, Insurance Sales Corp., Salt Lake City.

"Retirement income," H. G. Spencer, Nevada general agent, Carson City.

"Mortgage lifting contracts," Reuben Anderson, general agent, Pine Bluffs, Wyo.

"Motivation," W. E. Hibbard, Oregon general agent, Portland.

"Sensible time control," R. W. Evans, Montana general agent, Butte.

"What an extra \$5,000 will do," Othello Hickman, general agent, Logan, Utah.

"Package selling," C. Gale Baker, Baker general agency, Burley, Idaho.

"The life credit report. How secured. What it discloses," W. P. Jerrell, manager Retail Credit Company, Salt Lake City.

"As a Woman Sees It," Kathryn C. Fitts, Baker General Agency, Burley, Idaho.

Luncheon in charge of Ford E. Dunton, Washington general agent and state manager, Spokane.

Jan. 13, 2 p. m.

"Agency Building," J. Milton Olsen, Wyoming general agent, Cheyenne.

"Some sales devices that have worked for me," W. A. Crowder, manager Bankers Life of Iowa, Salt Lake City.

Round table, Gene Hickman, general agent, Salt Lake City. Participants: J. W. Nixon, G. G. Ripley, G. F. Hickman.

Awards presented by President Marcusen.

New England Mutual Men to Meet at Boston Jan. 8

General agents of New England Mutual will gather at Boston Jan. 8 for the five-day annual convention of their General Agents Association.

Guy D. Randolph, Cincinnati, is president; vice-presidents are E. B. Thurman, Chicago; Albert W. Moore, Philadelphia, and Rollo Hays, Jr., Los Angeles, and secretary-treasurer, Frank M. See, St. Louis.

A number of home office officials will be on the program, headed by President G. W. Smith, who will talk on the company. The annual dinner will be held the last night, with E. B. Thurman as toastmaster.

Yates Agency's Annual Meeting

The John W. Yates agency of the Massachusetts Mutual Life held its annual agency meeting in Los Angeles, attended by all the Los Angeles agency force and district managers from San Diego, Santa Ana, Santa Barbara, Santa Marie, Pasadena and Ontario.

C. P. Fiske spoke on "Where Are You Going in 1940?" Mr. Yates opened the meeting and later summarized its principal points. Other speakers were District Manager Worth Babbit, Santa Ana; C. F. Edwards, assistant general agent; James Smith, Jr., John Curtis, and R. L. Woods, assistant general agent.

The agency closed the year with a gain of 26 percent in paid for and reported business, led all the company's 88 agencies in increase of business in force, and was second only to the New York City agency in new business paid for.

Fidelity Union Holds Convention

MINERAL WELLS, TEX.—The Fidelity Union Life held a two-day agency convention here. Speakers, in addition to members of the agency force, included R. L. Thomas, Fidelity Union Life, president Dallas Associa-

tion of Life Underwriters; Burke Baker, Houston, president Seaboard Life; Horace Russel Smith, Houston manager Jefferson Standard Life, and Lynn Landrum, Dallas "Morning News" columnist.

Monarch Life Parleys

Officials of Monarch Life spent two weeks in December attending meetings of general agents in Michigan City, Ind., and Springfield, Mass. Nineteen general agents were present at Springfield and 12 in Michigan City. At Michigan City, the company conducts instruction courses in selling throughout the year.

E. H. Manning, agency manager Bankers Life of Iowa, Appleton, Wis., conducted an agency meeting for 50 agents from 23 counties. C. W. Tomlinson, Madison, Wis., manager, assisted in conducting the sessions.

C. L. U.

Los Angeles C. L. U. Chapter Reviews "Plans for 1940"

The Los Angeles C. L. U. chapter closed the old year with a program on "My Plans for 1940."

T. G. Murrell, general agent Mutual Benefit Life, said the life insurance man must concentrate on reaching the highest market, must avoid wastage of prospects and must battle the attacks on private enterprise resulting in reduced economic freedom. He then said the plan for 1940 must hold prospecting first, then planning the work, for one cannot get along without planning.

Frank Nathan, New York Life, speaking from the producer's standpoint, told of keeping a record of his work for the past three months, with 313 hours in the field, 609 calls, 118 contacts and 67 interviews, which added 84 new prospects to his files and 59 birth date changes. He told of his plan to schedule each day's work the night before.

Howard Neal, Occidental Life, said his objective for the year is happy and successful living. He said the life insurance man to have this must plan for maintenance of income, must know how much income to expect, must know the amount of effort to be expended to get that income, must know the money value of each new prospect and must exercise real activity. He said that his 1940 program calls for 1,440 field calls, 1,200 contacts, and 600 prospects. Out of this he plans to get 400 qualifying interviews, 200 alternative closing interviews and 100 sales. His day, planned the night before, demands eight calls, six contacts, two qualifying interviews, two closing interviews, two service calls, and acquiring two new prospects. It also calls for hiring the things done that can be done for less than he can do them, and above all else, he intends to keep his records complete and no "china eggs" in his prospect files.

Hear Talk on Institute

The San Francisco C. L. U. chapter and the San Francisco General Agents & Managers Association are holding a joint luncheon Jan. 9 to hear Norman Strouse of the J. Walter Thompson advertising agency explain how local men can capitalize on the activities of the newly organized Institute of Life Insurance.

Raymond Daniel, executive secretary Industrial Insurers Conference, Atlanta, has been appointed chairman of the insurance group of the Georgia committee for the celebration of President Roosevelt's birthday in the campaign against infantile paralysis. H. T. Dobbs, Industrial Life, is campaign executive director.

Fred Ruhl, manager Metropolitan Life, Ashtabula, O., has been transferred to Dayton in a similar capacity.

NEWS OF THE COMPANIES

Kilgour Heads North American of Canada

TORONTO.—D. E. Kilgour, general manager, has been elected president of the North American Life of Canada to succeed the late Thomas Bradshaw. Frank A. Rolph has been named chairman of the board. Mr. Rolph, who is chairman of the board of the Imperial Bank of Canada and president of Ralph Clark Stone of Toronto, has been vice-president of the North American Life since 1933.

C. L. Burton, president of Robert Simpson Company, and A. J. Mitchell, president of A. J. Mitchell & Co., were elected vice-presidents.

Mr. Kilgour will continue as general manager and W. M. Anderson has been elected assistant general manager.

Mr. Kilgour joined the North American in 1900, after graduating from the University of Toronto with scholarship honors in mathematics. In 1907 he was named actuary and in 1928 he was made general manager.

Mr. Anderson joined the company in 1926 as a junior clerk and was elected supervisor of field service in 1928.

Dedicates 1940 to Selling Family Income Forms

On the 10th anniversary of announcement by Continental American Life of the family income policies which were originated by the late President Philip Burnet, that company is sending out to its agents a most complete family income portfolio. W. M. Rothaermel, vice-president, in an accompanying letter to the field force comments that the public acceptance of family income was

so great that within a year after its introduction, more than 100 life companies were issuing this protection in one form or another, and now practically all do so.

Continental American is dedicating 1940 to the family income policy. The portfolio was prepared to serve as a presentation and to help organize the work of prospecting for this form.

The portfolio reproduces President Burnet's original announcement of 10 years ago. It points out that an entire estate plan can be derived from this one policy, providing immediate cash for final expenses and cash needs, a readjustment income for temporary period, a family income every month during the critical period when the family must be maintained and education continued, and then a final payment of the face amount of the policy which can be placed under the settlement options if desired.

A number of case histories are given to show how the policy has worked in actual practice. There is a prospect organizer sheet, a suggested pre-approach letter, and a pocket contains a variety of tools for the agents to use in selling this form, including a pamphlet, presentation sheet and several folders to serve as mail stuffers.

Century Life Takes Over Western States Life, Tex.

DALLAS—The Western States of Dallas has been merged with the Century Life of Fort Worth. Formed several months ago with W. L. Rawlings as president, the Century was inactive until it took over more than \$4,000,000 of ordinary and industrial life insurance from the Western States Life, which was organized last June.

Thomas A. Carpenter, vice-president

and general counsel, and H. H. Morse, Fort Worth, a director of the Western States, have been elected directors of the Century. Layden Stroud, who was vice-president and agency director of the ordinary department of the Western States, has joined the Century in the same capacity. Earle E. Bailey, assistant secretary Western States, becomes secretary of the Century. The entire industrial department personnel has been taken over by the Century.

The late Fred M. Lege, Jr., who was a chief factor in the organization of the Western States and was president, died shortly after its organization had been perfected. Charles W. Windham served as executive vice-president. He has not announced his future plans.

Headquarters of the Century Life are in the Century Building, Fort Worth. It is capitalized for \$250,000.

Texas Reserve Loan Vote Jan. 15

Plans for transferring the Reserve Loan Life of Indianapolis to Dallas, through merger of that company with the Reserve Loan Life of Texas, will be submitted to stockholders of the Texas company at a meeting in Dallas Jan. 15. Negotiations are under way for using the old City National Bank building, Main and Murphy streets, Dallas, as a home office.

Advertisement



NEW YORK

CASHIERS TO MEET JAN. 18

The Life Agency Cashiers Association of New York City will hold its next meeting on Jan. 18.

The December meeting was an open forum and the topic of discussion centered around filing systems. Members who spoke were R. Townsend, Young agency State Mutual; P. J. Spies, Keane agency, Massachusetts Mutual; E. A. Child, Penn Mutual collection office, and P. J. Harwood, Canada Life.

The group is holding a membership drive, in charge of John May, Jr., Fidelity Mutual, and has extended an invitation to all man cashiers.

TRAVELERS NEW YORK CHANGES

H. L. Hill and R. R. Onderdonk have been appointed assistant managers in the 55 John street branch of the Travelers in New York City. C. L. Clark, field assistant, becomes salary allotment supervisor; Ivan Van Bree, assistant district group supervisor, and R. A. Mahlstedt, Jr., field assistant, is made wholesale supervisor.

The Travelers has also appointed H. H. Witten of Akron, O., and Elton R. Barber of Cleveland field assistants in the Cleveland branch.

N. Y. NOVEMBER SALES

Sales of ordinary life insurance in New York City for November were \$48,068,000 as against \$62,827,000 for November 1938. The estimate was made by the Sales Research Bureau and released through the New York City Life Underwriters Association.

WARNER HEADS MIDTOWN GROUP

The Midtown Managers Association of New York has elected Stuart D. Warner, New England Mutual, as president; R. G. Engelsman, Penn Mutual, vice-president, and S. S. Wolfson, Berkshire Life, secretary.

PERFECT SCORE ON OPENING DAY

The Einstein & Salinger agency of Mutual Benefit Life in New York on its opening day, Jan. 2, reported 37 applications for \$210,000, with every man in the agency turning in at least one application.

Accident and health sales up 8 percent. Get on bandwagon. Send \$1 for six months' subscription to Accident & Health Review, 175 W. Jackson Blvd., Chicago.

Bankerslife President Gerard S. Nollen wears the 3½ peck sombrero—heady incident of recent 7½ million production honoring Vice-President Jaeger and himself.

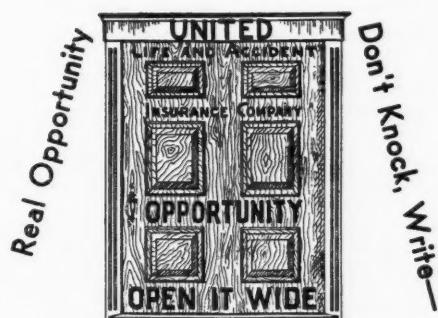


Bankerslife Secretary B. N. Mills smiles his pleasure at a few of the many hundreds of greetings "showered" upon him by Bankerslife salesmen—and friends throughout the life insurance world—on December 1st—his 25th Anniversary with Bankerslife.



Latest photograph of Bankerslife new Home Office Building, in Des Moines, No. 1 of nation's outstanding building projects according to Engineering News-Record. Dedication of new building scheduled for early Spring.

BANKERS LIFE COMPANY
DES MOINES
Established 1879



THIS may be your real opportunity—don't knock. Simply write to the Agency Department of the United Life and Accident Insurance Company for the full story about our combination contract—life, containing double and triple indemnity, with weekly accident protection, non-cancellable and non-proratable.

United Life and Accident Insurance Company agents increase their earnings selling this combination life and non-cancellable accident insurance.

Do you want to increase your earnings?

OPPORTUNITY KNOCKS—ACT NOW

Address your letter to:

William D. Haller, Secretary and Agency Manager
United Life and Accident Insurance Company
Concord, New Hampshire

NEWS OF LIFE ASSOCIATIONS

Florida Congress at Miami Jan. 12-13

LAKELAND, FLA.—Earle M. Willys, district agent Prudential at Lakeland, and president Florida Association of Life Underwriters, announces a comprehensive program for the annual state convention and sales congress at Miami, Jan. 12-13. Headquarters will be at the Miami-Biltmore Hotel. President William Revels of the Miami association will join Mayor McGary in the welcome, with response by LeRoy Johnson, state past president, manager Sun Life of Canada, Jacksonville.

The opening event will be a closed session of managers, superintendents, general agents and assistants Friday morning. C. J. Zimmerman, National association president, will answer questions.

The sales congress, starting at 2 p.m. Friday, leads off with Howard C. Lawrence, Newark, president New Jersey Association and a million dollar producer, on "The Public Expects the Life Underwriter to Know."

Gives Executive Viewpoint

T. T. Phillips, president Gulf Life, follows with "The Executive Viewpoint of the Field Men and Their Troubles." President Zimmerman will discuss national problems as they affect the agent. The business session, with election of officers, will follow. An informal reception precedes the banquet in the evening.

Saturday, 9 a.m., Commissioner Knott will speak. Kenneth C. Ringer, southern superintendent Metropolitan Life, will talk on "Facts vs. Fancy."

Will Explain Social Security

Frank K. Dunn, Social Security Board, Washington, will discuss "What the Life Underwriter Should Know About the Social Security Act," and Isadore Samuels, New England Mutual, Denver, will follow with "Keep Your Lamp Burning."

A choice of the races at Hialeah or Golf on the famous Biltmore course is offered for afternoon entertainment.

President Willis will preside at all sessions.

Honor K. C. Past Presidents

KANSAS CITY—The Life Underwriters Association of Kansas City at its annual "good fellowship" meeting awarded certificates to all past presidents now living here. Those honored were C. D. Mill, New England Mutual; W. B. Henderson, Ira B. Mapes, Charles L. Scott, Massachusetts Mutual; C. L. Barbee, Equitable of Iowa; G. A. Lock, A. P. Osborn, Lincoln National; C. R. Matthews, Sam C. Pearson, Northwestern Mutual; A. E. Myers, Guardian; E. G. Mercer, Lincoln National; H. S. Daily, Connecticut Mutual; H. A. Hedges, Equitable of Iowa; J. H. Mickey, Connecticut Mutual; E. G. Mura, New England Mutual; W. E. Pendleton, New England Mutual; J. F. Trotter, Mutual of New York; V. W. Wiedemann, Sun Life of Canada; D. R. Alderman, Kansas City Life, and P. B. Turner, Home Life.

John Miller, Columbian National, was in charge, with H. E. Kincaid, Mutual Benefit, president of the association, presiding.

Presidents Issue Statements

State and local life underwriters association presidents are issuing statements through their local newspapers condemning the federal monopoly committee's proposals for federal regulation of life insurance.

The splendid depression record of state supervised life insurance in contrast with that of federal supervised

banks is cited. The burden to taxpayers and the policyholders of dual supervision is pointed out. The public is warned that the proposed plans may be the entering wedge to give the federal government ultimate control, which opens the way to hazards that beset concentrated power.

Oklahoma Congress Feb. 2

OKLAHOMA CITY—The program for the sales congress of the Oklahoma Association of Life Underwriters Feb. 2 will be built around subjects of vital interest to the average agent. Harvey S. Kemp is program chairman. Speakers will include Manuel Camps, Jr., New York City, general agent John Hancock Mutual; Lynn S. Broaddus, Chicago manager Guardian Life; Charles E. Seay, Dallas, Tex., big producer of the Southland Life, and Paul Speicher, R. & R. Service. The program will open with a sales clinic for agents who have been in the business less than three years, directed by C. C. Day, general agent Pacific Mutual, and John O. Wilson, general agent General American Life.

Hines Cal. Executive Secretary

John V. Hines of Oakland, immediate past president of the California Association of Life Underwriters, has been appointed executive secretary and chairman of the legislative committee. Mr. Hines was with Minnesota Mutual.

He will have assistant executive secretaries in both northern and southern California, and the trio is expected to relieve the officers and directors of much of the routine work of the association's activities.

St. Paul—Gift and estate taxes and their bearing on life insurance were explained by George Anderson of the internal revenue bureau.

Dayton, O.—At the Christmas party a play "Santa and the Insurance Man" was staged. It was written and directed by Miss Mary Miltner of Lincoln National Life.

The association has more than doubled its membership in the last six weeks, more than 90 new members having been secured. Henry S. Stout, general agent John Hancock, is president; Charles A. Fair, Travelers, vice-president, Paul Trump, Midland Mutual, secretary.

Madison, Wis.—A. J. Nussbaum, Massachusetts Mutual, Milwaukee, emphasized that life underwriters today must be specialists in their field and be able to give clients expert advice as well as competent service. Through the efforts of the state and National associations cooperating with life companies, most of the unqualified life agents gradually have been eliminated from the business, he said.

Cleveland—Policyholders will be invited to attend the next meeting Jan. 19. Charles T. Davies of Wyomissing, Pa., will speak on "Why I Bought Life Insurance."

The women's division will hear Judge Marie Wing on Jan. 12 on "New Changes in the Social Security Act."

Columbus, O.—C. J. Zimmerman, president National association and general agent for the Connecticut Mutual in Chicago, will speak Jan. 5 on "Life Insurance in 1940."

Chicago—Six new directors were named in compliance with the by-laws adopted last month, which increased the board

First Woman President in Canada at Windsor

Miss Florence Robinson, Canada Life, has been elected president of the Life Underwriters Association of Windsor, Ont.

It is believed by association officials that this is the first time a woman has been elected president of a life underwriters association in Canada. Miss Robinson joined the Canada Life in June, 1931, and has frequently been a production club member. She is a C. L. U.

from 12 members to 18. They are: Harold Baird, Reliance Life; George Huth, Provident Mutual; W. N. Hiller, Penn Mutual; Brooks Fuller, Prudential; Woolf Guon, Metropolitan, and F. J. Budinger, Franklin Life.

Drive to achieve its membership goal of "1940 members in 1940" at as early a date as possible, is announced by W. H. Siegmund, Connecticut Mutual, membership chairman. Co-chairmen are: William North, New York Life, ordinary

agencies, and George Huth, Provident Mutual, industrial agencies.

Salina, Kan.—A meeting will be held Jan. 6 to outline the year's program, which is to include a membership campaign and general development of the association. Alf Weber is president; Ote Geoffroy, secretary, and J. J. Donelan, chairman of the program committee.

Buffalo, N. Y.—Thirty-six applications for membership have been approved by the board of directors.

GENERAL AGENCY NEWS

Wertimer Agency in Buffalo Celebrating Its 50th Year

BUFFALO—The Wertimer agency of the Prudential is celebrating its 50th anniversary this year. Sidney Wertimer, agency manager, is dean of life insurance executives in Buffalo.

The late Henry Wertimer, father of the present manager, pioneered for the Prudential in Buffalo, becoming its first ordinary department manager or general agent in 1890.

In 1915 Sidney Wertimer was taken into partnership and the business was conducted under the name of Henry Wertimer & Son until 1931, when the elder Wertimer died and Sidney Wertimer became sole manager. He has served as president of the Buffalo Life Underwriters Association, Buffalo Life Managers Association and the New York State Association of Life Underwriters. He also has been active in the National association and now heads its by-laws committee.

Now a third generation is in training to carry on the Wertimer tradition. Sidney Wertimer, Jr., a sophomore at the University of Pennsylvania, is majoring in life insurance and will join his father as soon as his college career is completed.

Many well-known life insurance executives in Buffalo and elsewhere are "graduates" of the Wertimer agency.

Football Contest Staged by Benson Agency, Cincinnati

CINCINNATI—A unique football contest recently closed between two teams making up the Judd Benson home office agency of the Union Central Life, Cincinnati, the Union Wildcats, captained by C. F. Slavosky, defeating the Central Tigers, captained by J. H. Kegg, 45-31. A feature of the game was a large board, showing a football field in perspective, with a movable lighted ball to record the plays, a players' roster on either side, and a scoreboard.

The period Oct. 20-Nov. 20 was divided into four quarters. The ball was placed on the 50-yard line for the kickoff at the beginning of the first and third quarters, and after each touchdown or field goal had been scored. A touchdown was counted for the usual six points, and if either team scored 10 points before the other team could score, an additional point for a kick after touchdown was credited.

Points were counted as follows: Each application submitted, five yards; each \$1,000 submitted, one-half yard; each application paid for, five yards; each \$1,000 paid for, one yard; if proper settlement was submitted with the application, the application counted 10 yards and each \$1,000 counted for 1½ yards; annuity applications counted only when paid for, or when settlement was made with the application, credit for the application being the same as for life insurance; each family needs forecast, fully completed, accompanied by a request for illustration, fully completed, gained one yard, family needs forecast gains did not count in the 10-yard zone, but counted in the play following kickoff after touchdown. If either team had the ball on its opponents' 10-yard line, or within the 10-yard line at the end of the first or third quarters, a field goal could be scored at the option of the captain of the

side carrying the ball into the zone, and if scored, the ball went back to the center of the field for a new kickoff. If the ball was in the 10 yard zone at the end of the second or fourth quarter, a field goal was automatically scored.

Penalties provided that when an examination had not been completed on an application within five days for which credit was given, the penalty was the number of points scored at the time the application was submitted. In the last quarter, applications were counted only when accompanied by medical examination. No penalty carried the ball beyond the one yard line. If settlement was submitted with an application subsequently declined, no penalty was assessed.

The ball on the scoreboard was moved upon receipt of an application and a play-by-play chart was posted daily at 10:30, 12:15, 3, and 5 o'clock.

Regular bulletins were issued during the game. The game opened with a Dutch lunch in the agency room and closed with a cocktail party.

S. G. Marean and C. A. Romer were coaches for the Wildcats, while G. B. Hollister and J. C. Sebastian served in a similar capacity for the tigers. Mr. Benson was referee.

The contest was started last year during football season and has proved so successful in stimulating interest and enthusiasm that it has become an annual feature.

Kirby Celebrates His 15th Anniversary with Reliance

The Russell B. Kirby agency of the Reliance Life at Allentown, Pa., celebrated Mr. Kirby's 15th anniversary with a dinner party. Among the 40 guests were many from out of town, including John F. Johns, superintendent of agencies, who represented the home office.

During the last six weeks the members of the agency put on a drive for \$150,000 of written business, representing \$10,000 for each year that Mr. Kirby has been associated with the Reliance Life. This goal was exceeded by 20 percent.

Mr. Kirby is past president of the Life Underwriters Association of Allentown, Bethlehem and Easton. He is now secretary-treasurer of the Pennsylvania Association of Life Underwriters.

Devitt Holds Denver Seminar

Frank H. Devitt, manager home office agency Capitol Life, Denver, held an agency seminar. Speakers included President C. J. Daly, Harold Colbert, "Life Insurance Selling," and W. V. Woollen, agency vice-president. A demonstration was given by Taft Barrow of the one interview sales talk. The meeting climaxed a 20-day campaign, during which the agency turned in the largest volume of written business in its history. Applications were presented to Mr. Woollen, as a joint Christmas and birthday gift.

Following the seminar wives and officers of the company were guests at a Christmas party.

Day Agency Honors Veteran

OKLAHOMA CITY—Fifty applications for \$100,000 in 10 days were written by the Carroll C. Day general agency, Pacific Mutual Life, to honor

the 25th anniversary of Charles F. Linder's service with the agency.

A banquet with approximately 60 agents and their wives as guests concluded the agency's annual all day plan meeting. Walter Hoefflin, western agency supervisor from the home office, and Lem C. Swinney, Dallas general agent, were present.

Merrifield Agency 100% Plus

J. C. F. Merrifield, general agent for Connecticut Mutual Life for Oregon

with headquarters at Portland, reports business for 1939 to be in excess of 100 percent over the previous year. Mr. Merrifield, who was formerly in the agency department at the home office, took over the Portland agency early in 1939. H. M. Holderness of the home office, who is making his headquarters in La Jolla, Cal., visited the Oregon agency over the holidays and officiated at the agency Christmas party. Mr. Holderness said the Merrifield agency has done the most outstanding job of all agencies of the company in 1939.

LIFE AGENCY CHANGES

Bankers of Iowa Names 3 Managers

Several important agency changes are announced by the Bankers Life of Iowa. J. H. Rowe is named manager in San Francisco; A. E. Gravengaard in Portland, Ore., and Elmer V. Gettys in Detroit. The Topeka, Kan., territory has been consolidated with that of the Kansas City agency.

Mr. Rowe, who succeeds the late A. F. Smith in San Francisco, became manager in Portland last May after an outstanding career in the Chicago agency. Mr. Gravengaard, supervisor of the St. Paul agency for several years, will succeed him in Portland. His career with the company covers three agencies and home office and field experience. A native of Iowa, he later attended Trinity college in Hartford. He joined the company in the home office as a member of the actuarial department in 1927. In 1930 he went into the field as a member of the Cedar Rapids agency. Later he transferred to the Los Angeles agency where he served for some time as agency supervisor. Two years ago he went to St. Paul as agency supervisor.

Mr. Gettys, city supervisor of the Pittsburgh agency since 1936, will succeed A. A. Heald, who resigned recently as Detroit manager. He joined the Pittsburgh agency as city supervisor in April, 1936. Previously he had been Pittsburgh agency supervisor of the State Mutual Life.

In the Topeka merger, H. M. Swarthout, Kansas City agency manager, will be in charge of the consolidated territory. H. F. Timbers, Topeka manager for years, will continue with the Kansas City agency as supervisor of the territory adjacent to Topeka.

R. E. Goewey with C. F. Gay

Ray E. Goewey has resigned as manager in New York City for Continental American Life to become assistant gen-

New Scranton, Pa., Agency of Continental American

Frank W. O'Neill, well known life insurance man of Scranton and northeastern Pennsylvania, has been appointed general agent of a new agency of Continental American Life at Scranton. It takes the place of an office in Wilkes-Barre which was closed. B. C. Vincent, manager of the Wilkes-Barre office, is retiring from active service as manager, but will continue as special service representative in his section.

Mr. O'Neill was with a large eastern life company 15 years and was a district manager for eight years. The new agency is at 301 Connell building. It covers 12 counties.



Frank W. O'Neill

eral agent for Aetna Life in Boston, in the Clyde F. Gay agency. Mr. Goewey was formerly connected with the Aetna Life in various capacities. He was at one time manager at Syracuse for Connecticut General Life and served as president of the Syracuse Life Underwriters Association.

Bick Named Supervisor and Patten in Special Work

John Bick has been transferred from the home office by the Continental Assurance to the Insurance Exchange branch, Chicago, succeeding Arthur Curtis, who died. Mr. Bick becomes supervisor. He has been doing supervisory agency work out of the home office for about four years, and before that was an agent of the Royer agency, Penn Mutual, Chicago.

Charles Van Patten has been assigned from the home office to the branch to do special work. He has been connected with the agency department at the home office, traveling. Formerly he was an agent of another company.

Jim Godard of Denver Goes with Northwestern National

Jim Godard has resigned as general agent at Denver for Franklin Life to become Colorado general agent for Northwestern National Life. He has been general agent for Franklin Life 20 years and is one of the best known agency heads in the city. His new office will be in the Denham building.

William Tronson, formerly of the A. W. Crary agency of Fargo, N. D., who has been representing Northwestern National in Denver the past year, has been appointed city manager there.

W. E. Davies in Louisville Post for Equitable, Iowa

W. E. Davies, who retired recently as a supervisor in the Newark agency of Penn Mutual Life, and who is president of the Life Agency Supervisors Association of northern New Jersey, has joined Equitable Life of Iowa as general agent at Louisville. His territory includes part of Kentucky, part of Indiana and part of Illinois. He went into the business in 1930 with Aetna Life in Newark. Mr. Davies was given a testimonial luncheon by the Agency Supervisors Association of Northern New Jersey.

Ashton with Baketel Agency

Charles M. Ashton, Jr., who has been manager of the planned estates department of the Home Life of New York since 1932, has resigned to join the H. Sheridan Baketel, Jr., agency of the Union Central Life in Philadelphia as agency supervisor. Mr. Ashton has been in life insurance for 15 years. He started as a personal producer with the Equitable Society and was later with the Penn Mutual. In 1929 he became an agency executive with the Reliance Life. Mr. Ashton is a native of Philadelphia where his father is vice-president of the Philadelphia National Bank. He attended Dartmouth College.

During the world war Mr. Ashton was wounded and occupied a hospital

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LEASES APPRAISALS
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Charles E. Dick
109 South Main Street
LITTLE ROCK, ARKANSAS

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Hutchinson & Hutchinson
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Institute Management
and
American Institute of Real Estate
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Chicago

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RENTALS,
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SALES**

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and ASSOC.**
LOANS
PROPERTY MANAGEMENT
APPRaisALS
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MADISON, WIS.

cot adjacent to one occupied by R. H. B. Bowie of the Bakelite agency. Both were later awarded the "Croix de Guerre" and after a lapse of 22 years find themselves associated in the same agency.

S. R. Bridges Atlanta General Agent of Provident Mutual

Provident Mutual has appointed S. Russell Bridges, Jr., general agent for Atlanta and vicinity. Mr. Bridges, who entered the business shortly after his graduation from Emory University, has had a successful record of personal production and has served with distinction as supervisor of the Charles J. Currie agency of Mutual Life. Mr. Bridges' agency will soon occupy new offices in the Citizens & Southern Bank building, Atlanta.

Mr. Bridges is a C. L. U. and is now vice-president of the Atlanta Life Underwriters Association.

Combine Two Iowa Agencies

H. C. Hall, general agent of the Equitable Life of Iowa in Davenport,

Ia., since 1932, has resigned to devote his time to personal production. The company will combine the Burlington and Davenport agencies, moving the collection office and personnel of the Burlington agency to Davenport. Newell C. Day, Burlington general agent, will be in charge of the combined offices. A sales office will be maintained in Burlington.

Mr. Hall is a past president of the General Agents & Managers Association of Davenport and of the Davenport Association of Life Underwriters.

Moore Names New Aides

Hiram Moore, St. Paul general agent Mutual Life of New York, has appointed R. I. Lukey agency organizer and Warren Johnson city supervisor.

Van Winkle Agency Promotions

G. W. Clark and T. R. Kimball, both of the Pasadena unit of the Kellogg Van Winkle agency of the Equitable Society, have been promoted to assistant agency managers at the Los Angeles office. District Manager Carl G. Moore of Pasadena unit has had his territory extended to include San Bernardino and part of Riverside counties. He will have offices

in Pomona, San Bernardino and Redlands.

New Protective Life Agency

The Protective Life has opened a new agency in Athens, Ala., to cover Giles and Lincoln counties in Tennessee and Limestone and Madison counties in Alabama. R. H. Richardson, Jr., is general agent.

Kelly Named in Minneapolis

W. L. Kelly has been appointed general agent of the Occidental Life for southern Minnesota, with headquarters in Minneapolis. He was supervisor in the Minneapolis branch office 1936-1938. He is a native of Minnesota and for 10 years was with the White & Odell agency of the Northwestern National in Minneapolis.

Murrells' New Brokerage Setup

T. G. and W. L. Murrell, general agents Mutual Benefit Life in Los Angeles, announce a change in the brokerage department of their agency. E. L. Patton, who has been office manager, will have associated with him W. H. Tennyson, who has been brokerage

manager. Mr. Patton will devote the greater part of his time to contact with brokers and agents and Mr. Stevenson will handle most of the office details.

Milner Named in Atlanta

W. J. Milner, Jr., has been appointed general agent for the state of Georgia by the Life of Virginia, with offices in the 22 Marietta Street building, Atlanta. Mr. Milner has been in life insurance about 10 years. He is a C. L. U.

E. V. Chown to Vancouver

Eric V. Chown, Winnipeg, has been appointed associate manager of the Mutual Life of Canada at Vancouver, B. C. He was formerly general secretary of the Life Underwriters Association of Canada and was the first field superintendent of that organization. He has been manager of the Mutual's Halifax branch, and for the past 12 months has managed the Winnipeg branch.

Calley Named by Reliance

L. F. Calley was appointed agency manager by Reliance Life in six southern West Virginia counties, with headquarters at Bluefield. He has had eight

Title Insurance Companies

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OKLAHOMA

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Oklahoma City, Okla.

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years' experience in the business, formerly having been a baseball player. He tried out with the New York Giants in 1918, in 1919-27 played with the Toledo club of the American Association, and then for a time played in the eastern league at Hartford and Waterbury.

W. G. Read at Steubenville, O.

The Ohio State Life appointed W. G. Read as general agent at Steubenville. He has represented the Equitable Life of Iowa and the Bankers Life of Nebraska in Zanesville, O., as general agent.

Closes Branch at Camden

Leon Bucke, manager of the Prudential ordinary branch at Camden, N. J., has resigned and the office will be operated in charge of a cashier as a unit of the Van Vliet agency at Newark. Mr. Bucke will continue as an agent in Camden.

Breakenridge Succeeds Goss

Merle E. Goss has resigned as general agent of the Equitable Life of Iowa in Oakland, Calif., and is succeeded by H. R. Breakenridge, until recently district manager there for the Reliance Life.

Des Moines Manager Retires

John G. Phillips has retired as manager of the Des Moines branch of the Travelers. He had served 22 years with the company. Members of the branch honored him at a luncheon. L. E. Graber, formerly assistant manager, succeeds him as manager.

NEWS BRIEFS

O. K. Ausmus has been appointed general agent at Marshall, Tex., by the General American Life.

Paul Greathouse has been appointed assistant manager at Seattle for Acacia Mutual Life. He has been with the company about a year.

Capt. H. P. Dunlap has resigned as district agent of the Connecticut Mutual Life in Chattanooga, Tenn. He will return to McCallie School as commandant of the R.O.T.C. and assistant business manager.

MANAGERS

Portland Managers for Full-Time Plan

PORTLAND, ORE.—A resolution providing for the voluntary elimination of part-time agents has been signed by a majority of members of the Portland Life Managers Association, Richard Sherwood, president, announced. It provides that all new agents must devote their full business time to the insurance business; that the same terms govern renewals of contracts and licenses, with the exception of agents of advanced age and long service. Part-time agents now under contract and not qualifying under the exemption must be discontinued as of March 31.

Copies of the resolution and a list of the signatory managers have been sent to Commissioner Earle and to Stuart Strong, president of the Portland Life Underwriters Association.

Last fall the Portland Life Underwriters Association in a resolution urged voluntary action by the life managers as an alternative to an appeal to Commissioner Earle that licenses be refused part time agents.

Orchard Sioux City President

The Sioux City Life Insurance Managers Association at its annual dinner elected Phil Orchard, Northwestern National Life, president, succeeding H. A. Thornton, Prudential. Howard Nelson, Mutual Life of New York, was elected

New Production Manager Named by Houle Agency

Henry E. Franzen has been appointed production manager of the A. R. Houle agency of Massachusetts Mutual Life in Chicago. He will direct the brokerage department. Mr. Houle plans extensive expansion of this branch.

Mr. Franzen entered life insurance in 1925 as a personal producer in the Drew agency of the Mutual Benefit in Chicago, consistently selling more than \$250,000 of business each year. He entered his business career with the Stewart-Warner Corporation, where he received excellent business training and assumed responsibilities beyond his years due to war conditions.



H. E. FRANZEN

vice-president and F. W. VanRheenen, secretary. Scott Burpee, Howard Nelson and E. L. O'Connor were elected to the executive committee. Tentative plans were made for a tri-state congress to be held in June.

Gross Heads Minneapolis Club

The Minneapolis General Agents & Managers Club has elected the following officers for 1940: President, Louis Gross, State Mutual; vice-president, Clarence Stiehm, Security Mutual; secretary-treasurer, Falconer Thomas, Phoenix Mutual.

SEC Investment Analysis Out Soon

(CONTINUED FROM PAGE 1)

For example, the SEC investigators have studied the distribution of urban mortgage investments of each company so that the percentage of funds placed in each large metropolitan area can be compared. This analysis will show the extent of diversification, according to officials.

"Preparation of the pending report has been placed in charge of Ernest Howe, SEC security analyst, who was formerly associated with Blyth & Co. Material has been collected through questionnaires sent to the insurance companies and by field agents of the commission.

"In addition to its general interest to private investors and other investment fund managers, officials here believe that published results of the investigation will prove valuable to state insurance supervisors and the trustees and directors of the insurance companies themselves. It is also understood that the data will be of vital importance, from the standpoint of competition, to insurance agents and agents' associations."

Socialistic Plan Is Back of Inquiry

(CONTINUED FROM PAGE 3)

bombs and bayonets. In the home sector, they struggle for the approval of the American people at the polls, as it should be in a democracy.

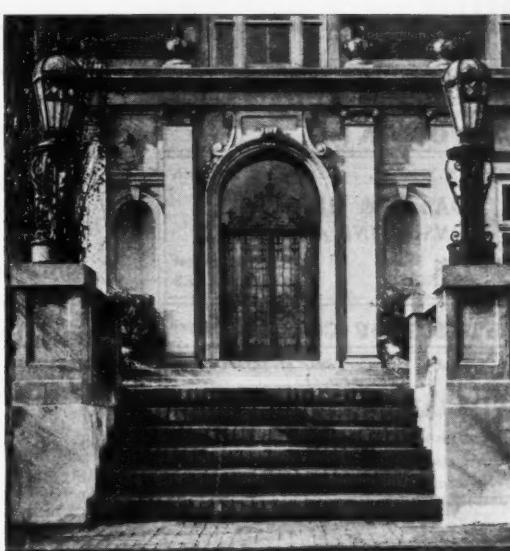
"One group fights for the traditional American way of free enterprise, with its balance sheet of trial and error, mistakes offset by brilliant contributions to progress. The other fights for the belief that the energies of the individual can be controlled by political agencies, for the greatest good of the greatest number."

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"The nose will represent a little competition—compulsory burial insurance and federal annuities; a degree of federal control; a small part in the determination of how insurance investments shall be made; a hand in the administration of the business operation. Just steps. But the first steps along this road, as all history and recent events abroad and at home make clear, are never retraced, but call for further steps."

How to Control Telephone Expense Told by Hoag

Telephone service is not only expedient but one of an agency's most valuable business assets, provided it is used efficiently, according to T. W. Hoag, cashier Penn Mutual agency, San Francisco.

A year and a half ago Mr. Hoag's agency installed a system that not only increased the operating efficiency of the switchboard but decreased the operating expense for the following year approximately 21½ percent. This is impressive in view of the fact that the agency personnel was the same as the year prior.

On outgoing calls, the operator would write the agent's name on a note book especially ruled for the purpose, listing the telephone number as either personal or business. Each morning the previous day's calls were then transferred to master sheets headed "Personal" and "Business." At the end of the month all calls were totaled and the agents billed accordingly.

The compilation of the monthly record of calls would then be handed to the general agent if the business calls were entirely out of proportion to an agent's

production, thus giving the general agent an opportunity to correct certain faults in the agent's activities. Mr. Hoag said that many agents are extremely successful in the use of the telephone, not only in making appointments but also in enabling them to use an organized approach by telephone.

He said: "The restricted use of the telephone, particularly where results are not productive, is one indication of good management."

Investment Risk of the Future Must Be Weighed Carefully

DETROIT—Any examination of investment practice requires clear distinction between investment and speculation, F. J. Nash, assistant treasurer Standard Accident in charge of investments, told the Michigan Actuarial Society in a talk on "Problems of Investment" at the December meeting. J. T. Rohm, actuary American Life, presided.

In speculation, the objective is primarily profit—usually resulting from price change, he said. In investment, safety of principal is the chief aim, with income and increment secondary. Preservation of capital may have to do with true values or dollar values. Banks and life insurance companies primarily are concerned with dollar values while individuals, and, to a considerable degree, fire and casualty companies chiefly are concerned with true values, which means values in terms of purchasing power.

Element of Risk Exists

All investment is the weighing and assumption of risk. Risk has to be assumed but it must be measured against income and profit probabilities.

Risk should be minimized as to funds in which third parties have an interest, that is, bank deposits and insurance reserves; it should be minimized if there is any possibility that securities may have to be converted into cash on short notice; it may be expanded, but not greatly, as to funds in which third parties have a secondary interest, such as bank or insurance company capital and surplus.

The past seven years the wages of capital have become progressively lower until last summer yield on high grade bonds reached an all-time low. While a low yield ordinarily connotes a high quality, yet the high price inevitably carries an implication of an ultimate price decline.

Bond prices are forced up or down by supply and demand of money, by movements of the economic cycle and by faith, or lack of faith, in the integrity of the dollar. A flight from the dollar is a manifestation of inflation, conditions for which are more propitious than at any time in the last seven years.

French life insurance companies survived the inflation of 1914-26 largely because they had about 25 percent of the funds in real estate and securities of a variable income, while French fire companies carried a substantially higher percentage of inflation hedges. The most successful of the American fire companies have been consistent holders of common stocks and their experience indicates a careful long-range common stock policy has been successful over the past 25 years. Whether such a policy could be successful over the next 25 years depends largely on development in the trend toward state capitalism.

With most institutional investors variously restricted by law, with money rates inordinately low and with inflation a distinct possibility, investors must be exceptionally careful in weighing risks if they are to keep their funds employed advantageously both for the present and the future, he concluded.

It is a good habit to pause after making a telling point so that the prospect can think it over, or, if the point is not understood, so it can be clarified.

**RECOGNIZED
EVERWHERE
AS...**

"One of The Best"

**CENTRAL LIFE
ASSURANCE SOCIETY
(MUTUAL)**

*Home Office
DES MOINES*

LEGAL RESERVE FRATERNALS

N. F. C. Officials to Address Congress

Miss Frances D. Partridge, president National Fraternal Congress and secretary Woman's Benefit, Port Huron, Mich., and Alex O. Benz, N.F.C. vice-president and president Aid Association for Lutherans, Appleton, Wis., will be the principal speakers at the annual convention of the Maryland and District of Columbia Fraternal Congress to be held Jan. 24 in the Lord Baltimore Hotel, Baltimore.

John J. Cronin of Hagerstown, Md., congress president, will preside. Howard G. Dressel, Baltimore, is secretary.

Mayor H. W. Jackson of Baltimore will extend a welcome, with response by Mrs. Lola E. Coles, congress vice-president.

A dinner-dance will be held in the evening which is expected to attract several hundred to the congress from Maryland and the surrounding states.

Texas Burial Fraternal Started

DALLAS—D. J. O'Keeffe is president of the Texas Legal Reserve Funeral Society, newly organized fraternal which offers legal reserve burial insurance. A. B. Simmons, formerly executive of the Reserve Loan Life of Indiana, is vice-president, and W. B. Stanfield is secretary-treasurer. Mr. Stanfield was treasurer of the old Inter-

Southern Life of Louisville and more recently was the organizer of the Ben Franklin Life of California.

The new company has arranged for reinsurance through legal reserve life companies and will work in cooperation with funeral directors who have been operating local mutual aid or burial associations in connection with their business but who are desirous of putting such insurance on a permanent guaranteed rate basis, Mr. O'Keeffe stated.

Equitable Reserve to Hold Regionals This Month

The Equitable Reserve of Neenah, Wis., announced completion of arrangements for the 1940 regional sales conferences. The dates and places for these meetings are:

Jan. 6, Faust hotel, Rockford, Ill., for agents in Illinois and southern Wisconsin; Jan. 9, Detroit-Leland hotel, Detroit, for lower Michigan agents; Jan. 10, Medford hotel, Milwaukee, for eastern Wisconsin agents; Jan. 16, Northland hotel, Green Bay, for northern Michigan and northeast Wisconsin; Jan. 17, Hotel Wausau, Wausau, for north and central Wisconsin; Jan. 19, Linker hotel, LaCrosse, for Minnesota and western Wisconsin representatives.

The new sales plans for 1940 will be discussed at these regional sales conferences. The conferences will be conducted by President Norton J. Williams and Louis H. Haase, field supervisor.

The Equitable Reserve announced three new junior policies, 20 payment endowment at age 85, 20 payment endowment at age 65 and a new 20 year endowment.

Reinstatement Forgery Is Issue in Texas Ruling

The serious illness of J. W. Dies, member of the Praetorians, and the fact that his reinstatement application was forged prevented any liability from attaching to the society under the attempted reinstatement, the court of civil appeals of Texas ruled. Dies died March 26, 1937, the Praetorians was sued for the death benefits, but denied liability. The grounds were that the benefit certificate lapsed prior to Dies' death, that the reinstatement application was forged and there was a breach of warranty of good health in the application. It was shown Dies lapsed by failing to pay the November, 1936, assessments and that on Dec. 30 the so-

society's agent was given what purported to be a reinstatement application signed by the insured, together with all assessment payments, witnessed by the sister of the insured's wife who later paid the assessments for February and March, 1937.

Testimony also showed that Dies refused to sign the reinstatement application because he was seriously ill and the society's agent knew of this fact. It was admitted the signature was a forgery but there was no showing as to who committed it. The application was accepted by the Praetorians without knowledge of the forgery or the insured's health condition. The lower court's judgment was in favor of the beneficiary and the Praetorians appealed.

The appellate court held the forged application did not reinstate the policy as the fraud was not known to the society. It was held a member of a fraternal is bound by fundamental laws of the society with respect to the right to reinstate and these laws prevent a representative from waiving any of them. It was also held the agent had no authority to waive the requirements that the insured execute the reinstatement application continuing the warranty of good health.

The decision was digested by Richard F. Allen, general counsel Standard Life and secretary-treasurer of the law section National Fraternal Congress.

Wisconsin Congress to Meet

The annual meeting of the Wisconsin Fraternal Congress will be held at the Elks Club, Milwaukee, the morning of Jan. 20. Officers will be elected and business transacted. Lunch will be served.

Accident and health sales up 8 percent. Get on bandwagon. Send \$1 for six months' subscription to Accident & Health Review, 175 W. Jackson Blvd., Chicago.

WOODMEN OF THE WORLD LIFE INSURANCE SOCIETY

Founded nearly half a century ago, its assets have mounted to over \$128,000,000.

Its investments are largely in Government, State and Municipal Bonds.

It has paid to beneficiaries over \$258,000,000, and to living members over \$47,000,000.

It values all of its outstanding business on the American Experience Table and 3%, and for each \$100 of reserve and current liability it has assets on hand of the value of \$114.92.

Through prosperity and depression, war and epidemic, its financial strength has paralleled its record of insurance and fraternal service.

It maintains at San Antonio, Texas, an endowed free hospital for members who suffer with tuberculosis. This institution is on the accredited list of the American College of Surgeons.

De E. Bradshaw, Pres.

Omaha, Nebr.

MORE THAN A MILLION DOLLARS A MONTH

DURING the first six months of 1939 MODERN WOODMEN OF AMERICA distributed \$6,848,493.07 in cash to the beneficiaries of deceased members and to living members. This impressive sum, averaging more than \$1,000,000 per month, was paid promptly as each claim matured, thus maintaining the Society's 56-year record of genuine human service.

\$605,825,109.48 paid in benefits since organization

A THREE-MILLION-DOLLAR GAIN IN ASSETS

The continued gains shown on its financial front are demonstrated by an increase of \$3,256,054 in assets for the same six months' period. Strict adherence to a wise and conservative investment policy is an added assurance of financial stability.

Assets total \$81,910,944.16—a 100 per cent increase in the past six years

MODERN WOODMEN OF AMERICA
Head Office Rock Island, Illinois

The A. O. U. W. of North Dakota

THE PIONEER OF FRATERNAL
LEGAL RESERVE SOCIETIES

Provides All Popular Forms of
Life and Disability Insurance

A True Fraternal and a Mutual
Life Insurance Association

Home Office—Fargo, N. D.

THE WOMAN'S BENEFIT ASSOCIATION
Founded 1892
A Legal Reserve Fraternal Benefit Society
Bina West Miller, President
Supreme President
Frances D. Partridge, Supreme Secretary
Port Huron, Michigan

PROGRESSIVE

Throughout the thirty-six years of its existence, the Aid Association for Lutherans has earned a reputation for able, progressive management, and sympathetic understanding of the needs and problems of its certificateholders. The Association has ever been alert to the modern trend of the times, always adjusting itself to meet new needs of protection.

INSURANCE IN FORCE.....\$197,255,732.00
ASSETS.....\$ 31,616,370.90

Paid to members and beneficiaries since organization in death and sick benefits, old-age income, surplus, etc., \$21,374,043.73.

All standard forms of legal reserve life insurance for men, women, and children of Synodical Conference Lutheran churches.

AID ASSOCIATION for LUTHERANS

Appleton, Wisconsin

Alex. O. Benz, Pres.
Otto C. Rentner, Vice-Pres.

Albert Voecks, Secy.
Wm. H. Zuehlke, Treas.

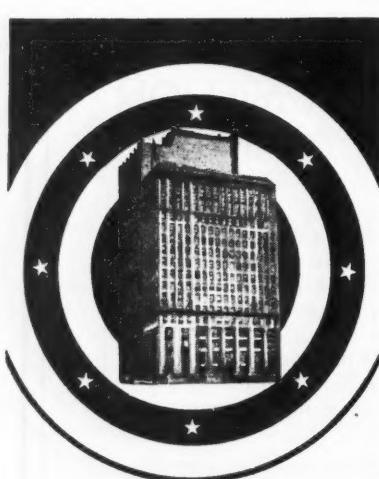




THE EMBLEM of a strong, enduring life insurance company which for 72 years has adhered to principles of justice and friendliness. Well directed and soundly managed, the protection of the Equitable of Iowa provides to policyholders and their families is

Outstanding by Any Standard of Comparison

EQUITABLE LIFE of IOWA
HOME OFFICE • DES MOINES



General Agency OPPORTUNITIES for good personal producers



ALFRED MacARTHUR, PRESIDENT
211 WEST WACKER DRIVE, CHICAGO

Rates for New Juvenile Form

Equitable Life of Iowa now announces its rates for its new juvenile endowment at age 65 policy. At age 0 the rate is \$16.23; 1, \$16.08; 2, \$16.13; 3, \$16.07; 4, \$16.01; 5, \$15.95; 6, \$15.93; 7, \$16.03; 8, \$16.21; 9, \$16.47.

The Washington National has discontinued its educational refund annuity.

NEWS ABOUT LIFE POLICIES

By JOHN H. RADER

New Policies, Premium Rates, Dividends, Surrender Values, and all Changes in Policy Literature, Rate Books, etc. Supplementing the "Unique Manual-Digest" and "Little Gem." Published Annually in May and March respectively. PRICE, \$5.00 and \$2.50 respectively.

Mutual Benefit Dividend Exhibit

The 1940 dividend schedule for Mutual Benefit shows both increases and decreases. Mortality and expense savings cause increases at early durations on lower premium forms, but the interest factor overcomes these on policies with a large reserve element. The total to be disbursed under the 1940 schedule will be 6.7 percent less than if the 1939 schedule had been continued, but premium paying policies will receive only 3.3 percent less.

Ordinary Life

Prem.	\$	\$	\$	\$	\$	\$
Prem..	20.14	22.85	26.35	30.94	37.08	56.93
Ages..	25	30	35	40	45	55
1....	4.04	4.23	4.47	4.63	4.82	5.85
2....	4.13	4.34	4.57	4.75	4.97	6.13
3....	4.22	4.45	4.68	4.85	5.12	6.40
4....	4.31	4.56	4.78	4.97	5.28	6.68
5....	4.42	4.66	4.88	5.09	5.46	6.96
6....	4.51	4.76	4.97	5.20	5.62	7.26
7....	4.61	4.87	5.07	5.34	5.81	7.57
8....	4.70	4.96	5.17	5.47	5.99	7.90
9....	4.80	5.05	5.27	5.61	6.18	8.23
10....	4.90	5.13	5.37	5.76	6.37	8.57
11....	5.00	5.22	5.48	5.91	6.56	8.93
12....	5.09	5.31	5.60	6.07	6.76	9.30
13....	5.17	5.39	5.72	6.23	6.95	9.67
14....	5.25	5.49	5.84	6.40	7.16	10.05
15....	5.33	5.58	5.97	6.57	7.37	10.42
16....	5.42	5.67	6.11	6.74	7.58	10.80
17....	5.50	5.78	6.25	6.91	7.82	11.18
18....	5.57	5.89	6.40	7.08	8.06	11.54
19....	5.65	6.01	6.55	7.27	8.31	11.89
20....	5.74	6.12	6.70	7.45	8.56	12.22

20-Pay Life 20-Year Endow.

Prem.	\$	\$	\$	\$	\$	\$
Prem..	30.12	36.22	45.73	48.15	49.85	54.22
Ages..	25	30	35	40	45	55
1....	4.04	4.46	4.83	4.04	4.47	4.83
2....	4.20	4.64	5.02	4.30	4.72	5.08
3....	4.35	4.80	5.24	4.57	4.97	5.34
4....	4.50	4.97	5.45	4.84	5.22	5.61
5....	4.66	5.12	5.68	5.12	5.47	5.91
6....	4.83	5.29	5.91	5.40	5.73	6.20
7....	5.00	5.45	6.16	5.69	5.99	6.50
8....	5.16	5.63	6.40	5.98	6.26	6.81
9....	5.33	5.81	6.68	6.28	6.54	7.13
10....	5.51	5.99	6.92	6.58	6.83	7.46
11....	5.67	6.18	7.18	6.89	7.13	7.79
12....	5.84	6.38	7.45	7.20	7.45	8.12
13....	6.01	6.59	7.73	7.52	7.77	8.48
14....	6.18	6.80	8.00	7.84	8.11	8.83
15....	6.35	7.03	8.28	8.17	8.47	9.19
16....	6.52	7.25	8.58	8.51	8.83	9.56
17....	6.69	7.50	8.89	8.87	9.20	9.94
18....	6.88	7.74	9.20	9.23	9.59	10.32
19....	7.07	8.00	9.52	9.62	9.98	10.71
20....	7.27	8.25	9.83	10.01	10.38	11.08

Ordinary Life Increasing Premium

Prem.	\$	\$	\$	\$	\$	\$
Prem..	10.65	11.35	12.24	13.88	16.25	28.03
Ages..	25	30	35	40	45	55
1....	3.34	3.42	3.51	3.49	3.44	3.82
2....	3.43	3.52	3.61	3.59	3.58	4.09
3....	3.53	3.64	3.73	3.72	3.75	4.42
4....	3.64	3.78	3.86	3.87	3.95	4.78
5....	3.77	3.92	4.00	4.03	4.19	5.20
6....	3.91	4.06	4.15	4.23	4.46	5.67
7....	4.05	4.23	4.32	4.45	4.77	6.21
8....	4.22	4.40	4.51	4.70	5.10	6.79
9....	4.40	4.58	4.72	4.98	5.46	7.43
10....	4.58	4.77	4.96	5.30	5.80	8.13
11....	4.76	4.97	5.20	5.62	6.30	8.87
12....	4.87	5.07	5.34	5.81	6.52	9.30
13....	4.96	5.17	5.47	5.99	6.75	9.76
14....	5.05	5.27	5.61	6.18	6.99	10.21
15....	5.13	5.37	5.76	6.37	7.22	10.67
16....	5.22	5.48	5.91	6.56	7.48	11.13
17....	5.31	5.60	6.07	6.76	7.74	11.58
18....	5.39	5.72	6.23	6.95	8.02	12.01
19....	5.49	5.84	6.40	7.16	8.30	12.43
20....	5.58	5.97	6.57	7.37	8.59	12.83

Rates for New Juvenile Form

Equitable Life of Iowa now announces its rates for its new juvenile endowment at age 65 policy. At age 0 the rate is \$16.23; 1, \$16.08; 2, \$16.13; 3, \$16.07; 4, \$16.01; 5, \$15.95; 6, \$15.93; 7, \$16.03; 8, \$16.21; 9, \$16.47.

The Washington National has discontinued its educational refund annuity.

Equitable Society Illustrations Given

The 1940 dividends on Equitable Society policies are higher at most points than those called for by the schedule of last year. The accompanying table shows a section of the new schedule for the more popular plans, supplementing the illustrations that appeared in the Dec. 22 edition.

Ordinary Life

Prem.	\$	\$	\$	\$	\$	\$
Prem..	21.49	24.38	28.11	33.01	39.55	60.72
Ages	25	30	35	40	45	55
1....	5.95	6.40	6.82	6.93	6.81	7.06
2....	6.17	6.63	7.04	7.09	7.02	7.57
3....	6.38	6.90	7.26	7.23	8.06	8.06
4....	12.28	13.23	14.04	14.16	14.07	15.37
5....	6.83	7.34	7.60	7.55	7.66	9.22
6....	7.01	7.48	7.66	7.66	7.80	8.80
7....	7.19	7.62	7.72	7.76	7.92	10.38
8....	7.38	7.77	7.79	7.87	8.04	10.96
9....	7.58	7.92	7.87	7.99	8.14	11.55
10....	7.69	7.96	7.94	8.09	8.41	12.13
11....	7.79	7.98	8.00	8.17	8.64	12.66
12....	7.90	8.01	8.05	8.23	8.86	13.20
13....	8.01	8.04	8.11	8.29	9.07	13.73
14....	8.12	8.07	8.17	8.33	9.28	14.26
15....	8.14	8.11	8.23	8.53	9.64	14.79
16....	8.14	8.15	8.29	8.51	9.71	15.37
17....	8.16	8.19	8.33	8.91	10.38	15.84
18....	8.18	8.24	8.37	9.05	10.75	16.36
19....	8.20	8.28	8.39	9.23	11.12	16.87

20-Pay Life

20-Year Endow.

Prem.	\$	\$	\$	\$	\$	\$
Prem..	31.83	38.34	48.52	49.33	51.91	57.34
Ages	25	30	35	40	45	45
1....	6.46	7.32	7.26	6.26	7.48	7.73
2....	6.73	7.58	7.53	6.63	7.82	8.05
3....	7.00	7.86	7.81	6.99	8.17	8.39
4....	7.14	7.91	7.85	7.01	8.24	8.47
5....	7.40	8.11	8.06	7.25	8.55	8.75
6....	7.77	8.43	8.37	7.01	8.77	9.09
7....	8.00	8.55	8.77	8.30	9.16	9.63
8....	8.23	8.68	8.97	8.60	9.37	9.91
9....	8.46	8.82	9.16	8.89	9.61	10.19
10....	8.62	8.97	9.51	9.13	9.85	10.62
11....	8.76	9.10	9.82	9.35	10.07	11.00
12....	8.9					

Sales Ideas and Suggestions

Pays Not to Overlook Women As Prospects Today

By Mrs. N. M. Whaley, Lincoln National at Little Rock

Up to date the life insurance business has given comparatively little attention to women. There are practical reasons for this neglect. In the first place most life insurance is sold by solicitors outside the home and it is more practical to reach men at their work and at their places of business.

A second reason is suggested by the basic purpose of life insurance, which is to provide a substitute for the earning power which supports the family. Usually that is the earning power of a man. Even where a husband and wife both work, the husband is not dependent on the wife in the same sense nor to the same extent that she is dependent upon him.

Participated But Little in Buying Investments

A third reason why women have been neglected by life companies is that until recent years women have participated very little in the purchase of investments. While women are said to control more than 85 percent of commodity purchases in the average family, they probably control less than 15 percent of investment purchases. The recent rapid increase in the number of women who are employed in business and the professions not only has resulted in their taking an interest in financial matters, but has given them an aggregate purchasing power which has made them potential investors.

It is the purpose of this article to describe fairly, from a woman's viewpoint, the conditions under which life insurance is indicated as a logical investment for women.

Case Where a Woman Cares for Dependents

If a woman has children or other relatives dependent upon her earning power for support, then there is just as much reason for her buying life insurance as there is for a man's buying it under similar circumstances. Her earnings are just as important and their continuance is just as vital to her dependents as would be the case if she were a man. Her investment program should aim not only to provide a competence for her own old age but should aim also to provide a substitute for her earnings if they should be destroyed by disability or death prior to the discharge of her obligation to dependents.

A single woman, who has no dependents and none who might later become dependent upon her, has little reason for the purchase of life insurance as such unless she may wish to purchase it for the purpose of leaving a bequest to some worthy project or to some favored relative. Such a woman would wisely choose some other form of investment than life insurance, provided it offer equal safety. Old age annuities, which are offered by life companies but which do not afford the usual death benefits, make a profitable and very safe investment for single women without dependents. Many professional women purchase annuities which guarantee them a stipulated monthly income to begin at a reasonable retirement age.

A housewife with children, who gives her entire time to the management of a home, is not regarded as earning money and yet she has an economic importance which has a vital relation to her husband's success. In the first place, her death would involve definite and un-

avoidable expenses including hospital bills, doctor's and nurses' fees, and the expense of burial. These expenses in any normal situation amount to several hundred dollars. Few men are able to meet such abnormal expenses out of current income without serious inconveniences.

Moreover, the death of a mother of small children necessitates expensive readjustment in the family involving usually the employment of expensive household servants and commanding much of the time and attention of the father thus impairing his business efficiency and probably his earnings.

Thus, while the death of a wife and mother does not necessarily detract from the family income, it does carry with it a definite economic loss which usually is discouraging to the husband. Every housewife, therefore, should carry at least enough life insurance to meet the definite expenses incident to her death, and to provide for the readjustment in the family budget occasioned by her loss.

Many husbands recoil through sentiment from the idea of carrying insurance on their wives, but it should not be approached as a sentimental matter. If they would think of it in terms of their children's welfare, it would become a very practical matter. There probably is more logical reason for a man's carrying life insurance on his wife than for his carrying fire insurance on his house. The wife is logically his partner in the important business enterprise of rearing their children and preparing them for successful living. The loss of her help while the children are small has much more than sentimental consequences, and while life insurance cannot soften the sorrow it can at least serve to remedy the damage done to plans which they have made together for their children.

Case of a Woman Who Owns Property

In the case of a woman who has a property estate in her name which would be transmitted to husband, children, or other relatives in the event of her death, there is, of course, a vital reason for carrying life insurance to meet administration costs and inheritance taxes—the same reasons which apply in the case of a man so situated. There expenses must be paid out of ready cash and unless cash is made available through life insurance it necessarily involves the liquidation of the most readily cashable assets in the estate. No individual, man nor woman, should plan to leave an estate without making a definite provision for the expenses incident to the transmission of the estate to heirs.

The least expensive way to make this provision is through life insurance.

Probably no recommendation should be made as to what kind of policies women should buy since this question always should be determined in view of the character of the need and in view of the amount of funds which can be invested. Every life insurance salesman falls into an easy habit of saying that certain kinds of people should buy certain kinds of policies, more or less regardless of situation.

For instance, there is a prejudice that a young man or boy should buy a 20-payment life policy, and there is an equal prejudice that women should buy endowment policies. Some women should buy endowments but for equally sound reasons other women should buy the lowest priced insurance they can secure. The determining factor should be not the kind of person but the kind of situation the person is in.

Women will buy a great deal of life insurance in the years just ahead. They will buy it more intelligently than men have done because they have the advantage of a century of life insurance experience in history to guide them. Any woman, I believe, would find it intensely interesting to discuss with a competent life insurance salesman the question of whether life insurance should be made a part of her individual investment program, particularly if she would forget that the salesman is trying to sell her something and think rather that she is trying to find what value there is in the thing the salesman sells.

Bond Sales Indicate Field for Insurance Prospects

Figures of the United States Treasury Department analyzing the sales of savings (baby) bonds offer prospecting suggestions for life agents. From March 1, 1935, to Oct. 31, 1939, \$3,010,693,000 in these bonds have been sold. Despite the intensive mail campaign by the Treasury department, most of the bonds have been purchased from post offices, mail order sales being only \$40,459,950 of the total. Females have purchased 15.34 percent of the bonds, nearly as large as the 19.12 percent by males. Co-owners purchased 33.33 percent, which indicates the trend toward husband and wife partnership which should be taken into consideration in selling life insurance. The bulk of the sales, 47 percent, were in cities of 100,000 or over. Life agents who complain about prospects not having any money will be interested to know that 2,069,272 \$1,000 bonds were purchased. The \$100 bond proved to be the most popular unit, representing 29 percent of all the sales. Illinois leads in baby bond sales with \$324,630,000, followed by New York with \$294,975,000, Pennsylvania with \$191,061,000.

One of the best answers to the United States baby bond competition is a booklet put out by THE NATIONAL UNDERWRITER, "Baby Bonds vs. Cash Value Life Insurance."

FACT FILE INFORMATION

Progress of U. S. Companies During War Years

Year	New Business	Business in Force	Admitted Assets	Dividends to Policyholders
1913	\$ 3,399,932,000	\$ 20,584,470,000	\$ 4,658,696,000	\$ 101,234,000
1914	3,314,698,000	21,589,172,000	4,935,253,000	107,912,000
1915	3,601,039,000	22,776,755,000	5,190,310,000	111,275,000
1916	4,212,037,000	24,679,312,000	5,536,607,000	125,286,000
1917	4,891,037,000	27,189,010,000	5,940,623,000	136,676,000
1918	5,130,759,000	29,870,310,000	6,529,621,000	145,217,000
1919	8,314,850,000	35,880,127,000	6,790,582,000	158,580,000
1929	\$ 19,267,332,000	\$ 103,146,440,000	\$ 17,482,309,000	\$ 513,205,000

Managers Plan Now for 1940 Results

Many managers are now going over production plans for 1940 with their agents. They find it effective to summarize 1939 results by cases, volume and earnings of each agent so as to predict his probable income in 1940.

It is at this time that the time control records prove effective as an agent can estimate how he can earn more money in 1940 by analyzing his calls, interviews, cases sold and volume of business secured. If an agent wants \$500 more income in 1940 than in 1939, for example, it means he has to write so many more cases figured on the average policy he has sold, or increase the average size of his cases by calling on a better class of prospects. In some cases where the agent appears to be making a great number of calls, he can turn in a larger number of cases by improving his sales technique.

Managers find it worth while to get the agents to budget their sales efforts and to break them down into weeks and months. In this way the agent can keep a normal production and have a fairly good idea how he will come out at the end of the year on his earnings.

Anticipate Objections to Being Disturbed

"I am busy now;" "I don't need any;" "Sorry, but you're just wasting your time;" "I couldn't buy any if I wanted to."

"These are not objections to the purchase of life insurance. They are objections to your presence; they are alibis to get rid of you; they are excuses for the purpose of avoiding an interview.

"Consider for a moment the position of the prospect. He is deeply occupied with his own affairs, he has his job to perform, his engagements to keep, his money to earn; and his time is limited. He resents an intrusion of any kind which is not directly concerned with his business unless the intruder is a friend, a friend of a friend, or someone whom he knows by reputation.

"Now into that situation pops a salesman who not only wants to take up some time but wants to discuss life insurance, a matter which the prospect has already settled in his own mind. Why open up a subject already closed? And so the prospect does the very natural thing; attempts to excuse himself from the interview.

"One must expect and prepare for these objections or excuses. If you have anticipated them, your morale should be no more disturbed when they appear than it is by the traffic or stop lights you meet when you drive to work in the morning or drive home at night.

"The objections and excuses met in the approach are not directed at you personally; they are not directed against the institution of life insurance. They are directed against a disturbance, whether that disturbance be a bill collector, an underwriter, automobile salesman, or anyone or anything outside of the regular run of business."—Peoria Dope Sheet.

Substitute for Programming Term

Programming is a rather formidable term and some are using the description "picture taking interviews" in characterizing the information getting process. In other words, in the first interview the agent takes a picture of the prospect's situation and presents it to him after it is developed.

Predicts N. Y. Bank Policy Limit Boost

(CONTINUED FROM PAGE 1)

tirement policy later on. But who in the savings bank life insurance setup is to follow up this sort of thing, he asked.

"If conditions are static, why provide loan values?" he asked. "Why provide for changes of beneficiaries?"

Mr. Bendiner suggested that the insurance professors might find it interesting to make a survey of the number of changes of beneficiaries, loan applications, changes of address, changes in the method of premium payment or in the optional modes of settlement, and payments of death losses where the personal service of the agent plays an important part.

"If all this is to be dropped out, if you are going to eliminate the agent in the creation, conservation, and administration of life insurance, there is no room for discussion or argument about cost," he conceded. "But there is room for discussion of the real purposes of life insurance. Until we have compulsory state insurance and eliminate the field force you need the field force."

If it is contended that life insurance is merely a commodity and not a service Mr. Bendiner suggested that it would be logical to apply the savings bank life insurance idea to other commodities, so as to eliminate the middleman.

"Why not automobiles for example?" he asked. "Why is life insurance singled out?"

Mr. Bendiner said that even though one may justify the mathematical procedures and the financial soundness of the small units making up the savings

bank life insurance system, "you cannot separate service from life insurance without destroying an essential element of the protection that it gives."

In his paper Mr. Taylor denied the accusation frequently made that life insurance departments get a free ride from the banks. He said that there will always be those who will criticize allocation of expenses but that "in the past such criticism has not sounded very convincing." He said that the seven savings banks in the New York system have as far as he knew taken on only one new employee to work on savings bank life insurance, while a second bank took back a former employee because that person's work, coupled with her savings bank life insurance work, made employment advisable. In other cases the life insurance work has been absorbed by the regular bank employees, and "when no new employees are hired, who can say that the depositors are bearing any burden because of the insurance activity of the bank?"

Denies Any Deception

As to the criticism that the public would be deceived into thinking that the assets of the state or of the savings bank were behind the insurance policy Mr. Taylor said that his division has done its best to forestall such confusion. He pointed out that the third paragraph of the policy and the paragraph of the application directly preceding the applicant's signature carries the following statement, "The only assets of this bank which are liable for and applicable to the payment and satisfaction of the liabilities, obligations, and expenses of the insurance department of this bank are the assets of the insurance department of this bank and the assets of the general insurance guarantee fund."

"I have noticed," he observed, "that one large insurance company states on its policy 'incorporated by the state of New York' and that another company states in its advertisement 'incorporated by an act of Congress.'"

Modest on Mortality

Mr. Taylor made no sweeping claims for superior mortality of savings bank life insurance, saying that while the Massachusetts system has for more than 30 years had an excellent mortality experience, "part of it may be due to the rapidly increasing amount of new business."

"My opinion is that in the long run the savings bank life insurance mortality experience will be a little better than the combined experience of companies because no one will be urging the doctor to pass the applicant and further because the medical examination for savings bank life insurance may be a little better than company examinations," he said. "Our doctors, appointed by the medical director, make practically all the examinations in their own offices. We feel that that practice is commensurate with the dignity of the profession and we have other reasons for preferring the examinations at the doctor's office."

Quoting R. B. Robbins, vice-president Teachers Insurance & Annuity, as concluding from a study that persons who apply voluntarily rather than through

solicitation stay with the company a longer time, Mr. Taylor said, "I don't believe that it is his conclusion that because people walk into the banks the exercise causes them to live longer."

Saying that a study by one of the member banks in New York showed that about 45 percent of those applying for insurance had none at the time of application, Mr. Taylor declared that so large a percentage requires further examination.

"Why should savings bank life insurance appeal to so many who now have no insurance?" he asked. "There are those who say that the appeal results from fear of solicitation by agents. In the last few years I have collected several items which indicate that some people are not anxious to be interviewed for life insurance."

"Harmony" With Agents

Mr. Taylor asserted that "a review of savings bank life insurance advertising and publicity indicates that the plan has operated with a minimum of friction with agents," and that outside of a couple of "professional Jeremiads" relations have been pleasant and cordial.

"Agents have told me that they have more to fear from their own companies' boosting of group insurance than from savings bank life insurance," he said. "Our appeal is directed toward the industrial class and all our records indicate that most of our policyholders are drawn from that class."

"Probably the industrial agents will not stand up and cheer about savings bank life insurance. Some of the things which the ordinary agents use as selling arguments we do not have. Our policy is a simple one and contains no settlement options, no double indemnity, and no disability."

Reasons Against Options

Double indemnity, he said, costs a lot to adjust, while for reasons for not writing disability he referred his listeners to a pamphlet issued recently by the Northwestern Mutual Life. As for not writing settlement options, Mr. Taylor quoted from a work "Restraints on the Alienation of Property," written in 1895 in connection with the establishment of spendthrift trusts. Another reason for avoiding settlement options, he said, is the "tremendous cost" of administering such trusts and of identifying the proper persons to receive the benefits 50 or 100 years from now. He cited as a third reason the unfavorable guaranteed interest rate.

"Savings banks do not operate on guaranteed interest rates," he pointed out. "The assumption of an interest rate carried no danger because of possibility of saving from loading and mortality to offset any interest loss. But in these times it isn't an appealing prospect to promise to pay 2½ or 3 percent without any source of profits or earnings except the investment of the principal fund. We feel that it isn't desirable to tie up \$3,000 of life insurance in a settlement option and further that the banks would not undertake contracts requiring administration for many years beyond the lives of persons now living."

Between \$7,000,000 and \$8,000,000

Mr. Taylor said the New York savings bank systems would reach the year end with between \$7,000,000 and \$8,000,000 in force and that "so far as we can

judge we have operated without any tinge of bureaucracy."

One bank in the New York system analyzed its applicants by type of employment and found that they were divided as follows by percentages:

Bookkeepers, 3.3; building employees, 3.9; chauffeurs, 1.; children under 15, 14.2; clerks, 13.; doctors, 1.4; domestics, 1.4; engineers, 3.2; executives, 5.9; housewives, 9.5; laborers, 1.6; lawyers, 2.1; merchants, 3.7; public service (utility), 3.9; restaurant employees, 1.2; salesmen, 9.5; stenographers, 1.; students, 3.4; sailors, 3.3; teachers, 2.7; unemployed, 2.2.

Reasoning Behind War Risk Clause Told by Shepherd

(CONTINUED FROM PAGE 2)

if our entry into war becomes imminent. Their applications to this main body now might curtail the selling of new life insurance.

"Knowledge that such clauses have been agreed upon and that they may be applied at any time will aid in convincing prospective and aid in convincing many policyholders that adequate insurance should be secured and maintained. Thus private insurance security may be maintained to a greater degree than would be the cause if war clauses should be included in all policies issued in the near future."

Professor Frank Dickinson of the University of Illinois praised the moral courage of the companies for going ahead and applying war clauses where they were considered necessary even thought it might be politically more expedient to hold off altogether.

Asked what the savings banks are doing about war clauses in life policies, Paul Taylor, deputy superintendent New York department in charge of savings bank life insurance, said that while his office gets special underwriting information on the war angle there has been no indication of any rush of applicants for war reasons. With the \$3,000 per life limit there isn't much incentive to take savings bank life insurance in New York, he said. It is also uncertain whether the New York law would permit the savings banks to put on a war risk clause, he added. Mr. Taylor mentioned that a few cases have been declined where the war hazard seemed large. One of these applicants wrote a letter of complaint to the department but since the letter was postmarked somewhere in Hungary, the department concluded that the declination was fully justified.

Brown Heads Arkansas Managers

Spencer H. Brown, district manager Metropolitan Life, Pine Bluff, Ark., has been reelected for the third consecutive year as president of the Metropolitan Managers Association of Arkansas. He also is vice-president of the Southeastern association, which includes Arkansas and Missouri.

Public Relations Committee

President F. P. Samford of the Industrial Insurers Conference has appointed the following committee on public relations: E. W. Craig, executive vice-president National Life & Accident of Nashville, chairman; C. P. Kendall, vice-president Washington National; B. Werkenthin, vice-president American National; E. T. Burr, actuary Durham Life; T. J. Mohan, vice-president Eureka-Maryland Assurance. Ex-officio members of the committee will be President Samford, Vice-president B. L. Tatman, H. T. Hobbs, executive committee chairman, and Secretary H. Clay Evans Johnson.

The C. B. Knight agency of Union Central Life in New York paid for \$1,489,390 in December as against \$1,992,403 for December, 1938. For the year the total was \$21,331,369 as against \$18,246,225.

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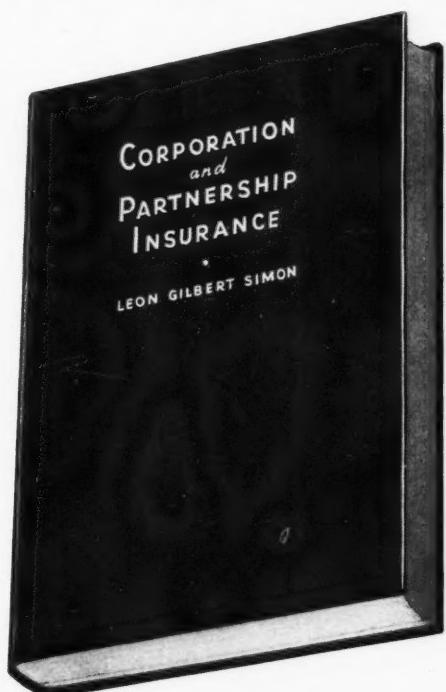
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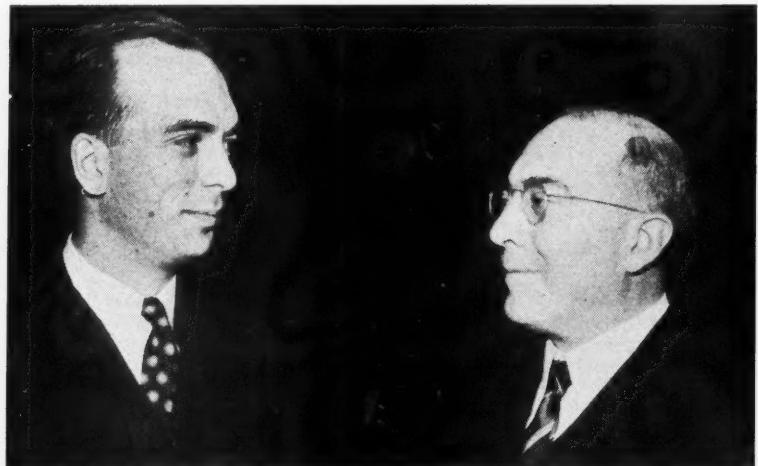


At the first annual meeting of the Institute of Life Insurance, left to right: Alex B. Cunningham, vice-president Western Life; A. T. Maclean, vice-president Massachusetts Mutual; Julian Myrick, manager Mutual Life of New York, New York City;

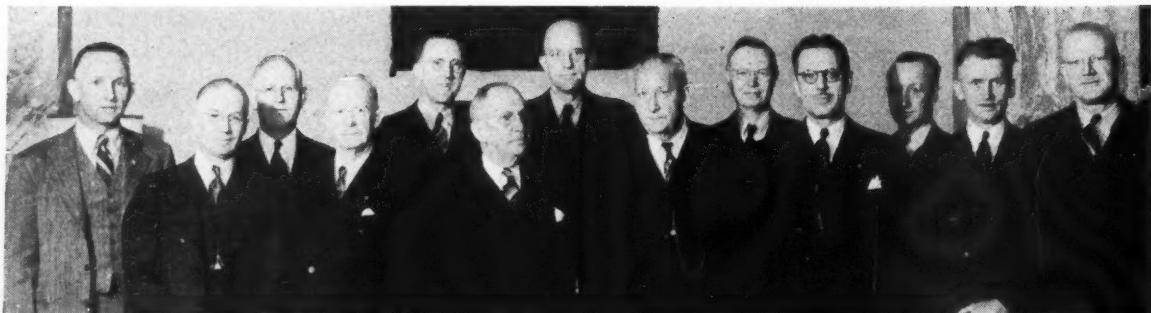
Bertrand J. Perry, president Massachusetts Mutual; M. Albert Linton, president Provident Mutual and new chairman of the Institute; Vincent P. Whitsitt, general manager Life Presidents Association.



State Mutual Life has just issued policy number 500,000 on the life of General Agent Benjamin W. Ayres of Worcester, the home office city. President Chandler Bullock (fourth from left) is shown presenting the policy to Mr. Ayres while Ross B. Gordon, vice-president and supervisor of applications (left), Robert H. Denny, director of agencies (third from left) and Stephen Ireland, vice-president and superintendent of agencies, look on.



Arthur Daniels (left) secretary, Institute of Life Insurance, and Adolph Rydgren, president, Continental American Life, in an informal conference at the Institute's annual meeting.



The Beneficial Life's Millionaire Club has 16 members. Each man has at least \$1,000,000 of life insurance in force on the company's books. They represent about 10 percent of the Beneficial's agency force. From left to right, are: L. S. Wood, Allen Cameron, A. S. Tolman, David Petersen, S. R. Sorensen, Raf Christensen, Harold Anderson, H. M. Rollins, W. H. Francis, Frank Mozley, Lorenzo Jensen, Roy Utley, P. M. Stoker. Absent when picture was taken, Joseph C. Clark, Homer Englestead and W. L. Glover.



President A. N. Kemp (right) of the Pacific Mutual Life was presented a bouquet of 24 roses by the eastern railroad department, with headquarters in Chicago, headed by C. H. Davis. Each rose in the bouquet represented \$1,000 in premiums paid in November, President Kemp's anniversary month with the company. This picture shows President Kemp receiving the flowers from Vice-president Cary Groton (left).